DOCUMENT RESUME

ED 344 820 SO 021 913

AUTHOR Mason, John P., Ed.; Clark, Mari H., Ed.
TITLE New Directions in U.S. Foreign Assistance and New Roles for Anthropologists. Studies in Third World Societies, Publication Number Forty-Four.
INSTITUTION College of William and Mary, Williamsburg, VA. Dept. of Anthropology.
PUB DATE Apr 91
NOTE 174p.
PUB TYPE Collected Works - General (020)

EDRS PRICE MF01/PC07 Plus Postage.
DESCRIPTORS *Anthropology; *Developing Nations; Foreign Countries; *Foreign Policy; Futures (of Society); International Relations; *Social Scientists; World Affairs
IDENTIFIERS *Foreign Aid

ABSTRACT

Given recent developments throughout the world, the status of U.S. foreign assistance policies is uncertain. This document is a collection of papers whose authors, all anthropologists concerned with developing nations, critically examine new directions in development assistance in the 1990s. The papers include an introduction (M. Clark; J. Mason); "The Future of Foreign Assistance" (G. Britan); "Humanizing the Development Paradigm" (M. Clark); "Actions of the U.S. Congress toward Environmentally Sustainable Foreign Assistance" (K. Moran); "Restructuring National Economies: The Challenge to Development Anthropology" (P. Boyle); "Social and Institutional Analysis in the African Economic Policy Reform Program" (P. Vondal); "Development Anthropology in a Rapidly Urbanizing World" (J. Mason); "Gender Issues in Microenterprise Assistance" (M. Clark); "The Development Fund for Africa: New Opportunities for Anthropology in A.I.D." (D. Hess); and "Practicing the Anthropology of Development: Comments on 'Anthropology and Foreign Assistance'" (R. Netting). (DB)

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Library of Congress Catalog Card Number: 91-072919

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The Editors
STUDIES IN THIRD WORLD SOCIETIES
Department of Anthropology
College of William and Mary
Williamsburg, Virginia 23185 U.S.A.
Phone: 804/221-1056
Fax: 804/221-1066

EDITORS
VINSON H. SUTLIVE
MARIO D. ZAMORA
VIRGINIA KERNS
TOMOKO HAMADA

PUBLISHER
DEPARTMENT OF ANTHROPOLOGY
COLLEGE OF WILLIAM AND MARY
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INTRODUCTION

NEW DIRECTIONS IN U.S. FOREIGN ASSISTANCE AND NEW ROLES FOR ANTHROPOLOGISTS

MARI H. CLARK
and
JOHN P. MASON[1]

The world is changing at an accelerating pace in remarkable ways that are significantly affecting the nature, substance, and modes of delivery of U.S. foreign assistance. Five years ago, who would have dared to imagine that the Warsaw Pact countries would be holding elections and seeking to build market economies in the wake of Perestroika in the U.S.S.R.? Who would have believed that Arab and Western powers would join forces to remove Iraqi troops from Kuwait?

Forty years ago, who would have predicted that Japan, a nation reduced to rubble by World War II, would be one of the largest donors of foreign assistance? Nor would they have guessed that the then "underdeveloped" countries such as Korea, Taiwan, and Saudi Arabia would be extending their growing trade and investment into the Americas? No one would have anticipated the election of female presidents and prime ministers in countries such as the Philippines and Bangladesh.

These and other developments accentuate the implications of a statement made by foreign aid experts to the Advisory committee on Voluntary Foreign Aid, in September 1989. "U.S. foreign assistance is at a crossroads and current social, political, and economic realities are likely to alter fundamentally its definition and conduct into the next century."

The challenge of "foreign assistance at a crossroads" provided the impetus for the present collection of papers. The contributors, all practicing development anthropologists, critically examine new directions in development assistance in the 1990s. Their papers address cutting-edge policy issues in U.S. foreign assistance such as sustaining the environment, assessing the impact of macroeconomic policy reforms, addressing the problems of an urbanizing developing world, integrating women into development assistance for small and micro-entrepreneurs, establishing the Development Fund for Africa, and measuring and evaluating development program performance.

The authors also discuss the implications of these issues for new directions in development anthropology. They identify the key contributions of anthropology's analytical and methodological tools and note the new skills acquired from other disciplines and reshaped to respond to the changing world of development assistance.

The authors originally presented earlier drafts of their papers at the 1989 annual meetings of the American Anthropological Association in a panel discussion of "Anthropology and Foreign Assistance: A New Role for Development Anthropologists?" Since that event, the authors have revised their papers to incorporate new developments on the ever-changing foreign assistance front.

The National Association for the Practice of Anthropology and the Association for Political and Legal Anthropology sponsored the panel. All the presenters, with the exception of the discussant, were members of the Washington Association of Professional Anthropologists. With the exception of the discussant and Katy Moran, all the presenters worked for the Agency for International Development (A.I.D.), either as consultants or as foreign service officers. Katy Moran worked for many years as a Congressional staff person. The discussant, Robert McC Netting practices anthropology from a University of Arizona base, both as a development consultant and by instilling an understanding of development anthropology in the minds of his students and colleagues.

To set the stage for these papers, focused on the future of foreign assistance, it is useful to revisit the past briefly to examine the history of U.S. foreign assistance and the role that anthropologists have played therein. As Katy Moran notes in this volume, foreign assistance as a U.S. national policy originated with the 1947 Marshall plan to rebuild Europe at the end of World War II. U.S. aid shifted to the developing world in the 1950s. The U.S. was the first country to offer economic assistance as a national policy. Until the past decade, the U.S. led other donors in absolute dollar amounts of aid dispersed.

In his discussion of "Anthropology and Development" Alan Hoben offers valuable historical insights relevant to points raised by the authors in this volume, particularly Gerald Britan, Mari Clark, and Katy Moran. Hoben himself served as senior anthropologist for A.I.D. for three years in the late 1970s, as did a number of other anthropologists.

Hoben stresses the "complex institutional environment in which donor agencies operate" (Hoben 1982:353). In other words, foreign assistance is not a simple matter of identifying needs and delivering assistance. Many institutional actors with different and competing interests are engaged in influencing the direction of foreign assistance.

For the U.S., the historical basis for this complex institutional environment was the, "unlikely and unstable coalition" of interest groups (conservative, military, business, humanitarian, and liberal) that shaped the original Foreign Assistance Act. That legislation combines the defense goal of stopping the spread of communism in the developing world with the mutually beneficial expansion of trade between rich and poor nations, the fostering of democratic political institutions, and the pursuit of humanitarian goals (Hoben 1982:352; see also Hellinger, Hellinger, and O'Regan 1988).

The annual allocation of foreign assistance to specific countries and programs involves an even wider array of institutional actors and interests. In her analysis of A.I.D., Kathleen Staudt describes the Agency as "vulnerable to U.S. constituency groups and the ensuing multiple goals their support entails" (Staudt 1985:24). Congressional interests and those of the interest groups who lobby Congress, influence foreign assistance through "earmarks," that is, funds set aside for specific uses such as the Global Warming Initiative related by Katy Moran, the African Development Fund described by David Hess, and the earmarks for women in development and microenterprise noted by Mari Clark. Other vehicles are through committee reports, studies, hearings, and reporting requirements.

Various Federal agencies, such as the U.S. Department of Agriculture, Treasury, the State Department, and the Department of Defense also have differing objectives regarding the use of foreign assistance funds for particular country programs. In addition, the administration in power may use the enabling legislation to pursue short term strategic goals that may conflict with long term sustainable development goals. Finally, the Agency for International Development has goals and standards that may change when its leadership changes (Hoben 1982:352-3; Hellinger, Hellinger and O'Regan 1988; Staudt 1985).[2]

It is in this complex institutional context that development anthropologists have been working as advisors, consultants, legislative aids, civil servants, and

foreign service officers. Katy Moran's paper on "Actions of the U.S. Congress Toward Environmentally Sustainable Foreign Assistance" vividly portrays this complexity in her accounts of congressional procedures and their negotiation inside congressional committee work related to foreign assistance.

Hoben observes that, as of the early 1980s, anthropology had made little lasting impact on development theory or practice and anthropologists had played only a peripheral role in development assistance (Hoben 1982:351). By 1988 Michael Horowitz could argue that anthropologists had at least made significant substantive contributions to discreet areas of development assistance (see Clark "Humanizing...." in this volume) but they were still ineffective advocates for the importance of their contributions to development assistance (Horowitz 1988).

In the 1940s, anthropologists were fairly prominent in public policy circles and were highly involved in the Truman Administration's planning for foreign aid.

In the 1950s, the International Cooperative Administration (ICA), established in 1948, employed anthropologists as interpreters of tradition. Their role was to facilitate the diffusion of technology by finding ways to overcome resistance due to traditional values, institutions, and practices.

In 1961 A.I.D. was established by an amendment to the Foreign Assistance Act. Throughout the 60s, economists' models of "economic take-off" and "trickle-down" effects came to the forefront. Development efforts increasingly concentrated on the urban industrial sector, infrastructure, and capital intensive technological innovation. The aim was to stimulate savings and capital formation and to foster an entrepreneurial class. Anthropologists disappeared from the development scene, lacking either theory or vision to redirect the path of development assistance.

By the 1970s, it was clear that the economies were not "taking off" as expected nor were benefits "trickling down" to the poor. The capital-intensive and urban-focused industrial programs of the 60s had exacerbated the rural-urban gap, with long lasting negative repercussions for development assistance that John Mason discusses in detail.

In 1973 and 1975 the "New Directions" amendments to the Foreign Assistance Act required A.I.D. to give greater emphasis to promoting more equitable income distribution and employment opportunities for the poor and to use more labor intensive "appropriate" technologies in agriculture and capital projects such as road construction. The legislation required that the poor majority participate in decisions that shape their lives (Hoben 1982:357). As noted by Mari

Clark, the 1973 Percy Amendment to the Foreign Assistance Act also required A.I.D. to integrate women fully into its development activities.

In the 1970s, there was a renewed and critical interest on the part of anthropologists regarding development theory and the underdevelopment effects of colonialism. By the mid-seventies growing concern about the poor along with the New Directions Legislation brought anthropologists into a variety of roles in U.S. development assistance (Hoben 1982:357).

This brings us to the 1980s era of macroeconomic adjustment and policy reform, discussed by Gerald Britan, Philip Boyle, Pat Vondal, and Mari Clark, and to the present 1990s crossroads in development assistance, addressed by all of the authors. It is important to keep in mind that the articles in this volume represent the views of the authors and should not be interpreted as a statement of the views of the federal and private institutions for which they work.

Complementing the Introduction, the first two papers provide background and context for the rest of the papers.

"The Future of Foreign Assistance," by Gerald Britan, briefly reviews foreign assistance strategies of the 1970s and 80s. He examines the need for rethinking U.S. Foreign assistance and lists some of its common failings. His weaves his qualified predictions for the future into a discussion of strategic management changes within the Agency for International Development. One key change has been the shift, starting in the 80s, from projects targeted at alleviating particular pockets of poverty to an emphasis on coordinated programs that make a difference for overall host country development. Another is a renewed concern for achieving and measuring more significant development results. Britan anticipates a growing demand for social analysis skills in the 1990s but these will have to be combined with greater facility in economic and political analysis as well as for management and organizational development.

In "Humanizing the Development Paradigm", Mari Clark describes the growing dissatisfaction among development practitioners about the macroeconomic paradigm that has dominated foreign assistance in recent years. This relates to their concern for re-introducing the human element into development thinking and practice. She suggests opportunities for social scientists in the 1990s to combine anthropological, economic, and policy analysis in order to put people back into the development equation. In addition to the need for more participatory development, she also stresses the importance of recognizing critical differences between people that affect the impact of development assistance such as gender, generation, and ethnic affiliation.

The next paper offers an insider's view of the intricate ongoing process of reshaping U.S. foreign assistance.

Katy Moran's "Actions of the U.S. Congress Toward Environmentally Sustainable Foreign Assistance" describes the complex congressional choreography of the "Global Warming Initiative". She traces how and why it was developed and drafted in response to debate in Congress over the reauthorization of the Foreign Assistance Act. Then she describes how it was eventually incorporated into the report language for the Subcommittee on Foreign Operations Appropriation and established as public law. In telling this tale, she portrays the congressional committees, their responsibilities, procedures, policies, and informal rules. This includes a detailed narrative on the Foreign Assistance Act and the controversy and debate about foreign assistance goals and costs. Moran observes that anthropologists' training and field experience equip them with skills as culture brokers. They can use this to translate concerns between those who formulate and implement federal policy and those who have special interests in the policy or are affected by it.

The next two papers discuss attempts to assess the impact of the macroeconomic policy reform efforts of the 1980s.

In "Restructuring National Economies: The Challenge to Development Anthropology," Philip Boyle explains the steps taken in the stabilization and structural adjustment efforts of the International Monetary Fund and the World Bank. These measures aim to address long-term policy reform needs of developing countries in order to generate the renewed growth necessary to end trade imbalances and provide for internal social development. He analyzes the anticipated and unintended effects of this structural transformation along with the use of policy reform conditionality in foreign assistance. Boyle also discusses the Social Dimensions of Adjustment (SDA) Project of the World Bank which attempts to assess and monitor the household level effects of structural adjustment. He examines concerns raised by development professionals regarding policy-based sector assistance and summarizes critical policy reform information needs, stressing the importance of adequate sector assessments. Boyle poses a challenge to anthropologists that they should not stand idly by while macroeconomists and statisticians reinvent social institutions in efforts such as the SDA project. Making a difference requires penetrating the dominant models of economic development and revealing their inability to resolve critical sociopolitical and micro-economic questions.

"Social and Institutional Analysis in the African Economic Policy Reform Program," by Patricia Vondal, traces the genesis of A.I.D. efforts in this area, in concert with the World Bank and the International Monetary Fund. She describes

her assessment of the quality and usefulness of the social and institutional analysis incorporated in AID policy reform design documents for Sub-Saharan Africa. She then highlights striking analytical gaps uncovered by her study. These included the need for analysis and assessment of impact of liberalization reforms (which reduce or eliminate government regulation of certain aspects of the economy) and privatization reforms (which expect the private sector to take over important public sector economic activities and services). The study also identified the need for a better understanding of the institutional and political context of policy reform and for analysis of the potential impacts of all elements of economic policy reform programs on people. Vondal then outlines the key components that should be included in social and institutional guidelines for A.I.D. sectoral development assistance and economic policy reform. She suggests that the anthropologist's analytical framework for examining the dynamics of institutions and individual adaptations to the larger economy can make a valuable contribution here if it is informed by an understanding of macroeconomic theory and policy analysis.

The next paper focuses on a critical development issue with which U.S. foreign assistance is only beginning to reckon. In "Development Anthropology in a Rapidly Urbanizing World," John Mason demonstrates that urbanization is a national socioeconomic and demographic trend which continues unabated. He points out that the growth of towns and cities in the developing world has not necessarily been accompanied by economic development as has generally been the case in the West. Mason contends that there is an urban-rural divide within donor agencies and LDC governments which limits the attention given to both positive and negative effects of urbanization on overall national growth and development. He suggests that development anthropologists are well-suited to enhance the understanding of the dynamics of rural-urban linkages and to identify ways to incorporate this in development interventions.

The last two papers discuss congressionally earmarked funds that were established to assure that U.S. development assistance addresses the needs of poor people in developing countries.

In "Gender Issues in Microenterprise Assistance," Mari Clark points out the inherently anthropological nature of the women in development initiative which stresses the importance of people in development and the need to recognize critical differences such as gender, generation, and ethnic affiliation. She details the important economic contributions of women in small enterprises, most often in the unregistered, uncounted businesses in the "informal sector". She examines the constraints on their endeavors in small and microenterprise and on their participation in development assistance directed toward them. She then traces the interrelated histories of A.I.D. efforts in women in development and in

microenterprise assistance. Clark concludes with an illustration of the way a development anthropologist can use social-institutional analysis to learn from past mistakes in order to identify and circumvent potential bureaucratic obstacles to the participation of women in small and microenterprise efforts.

"The Development Fund for Africa: New Opportunities for Anthropology in A.I.D.," by David Hess ends the volume on a positive note with a people-oriented model for future foreign assistance that places greater emphasis on accountability and results. Hess explains how the Development Fund For Africa (DFA) earmark was born out of congressional disappointment and frustration at the failure of foreign assistance to improve the quality of life for the vast majority of Africa's people. Stressing the importance of having an impact on the lives of people, he highlights the key principles of the DFA: 1) to establish programming priorities; 2) to focus on a limited number of problems; 3) to concentrate resources where A.I.D. can expect to achieve meaningful results; and 4) to measure, evaluate, and report results which indicate that A.I.D. performance is making a difference in Africans' lives. He then describes the program planning, monitoring, evaluating, and reporting process and the conceptual tools used to guide them such as the objective tree - a graphic display of cause and result that forces to the planner to ask how? what else? and so what? in identifying strategic goals and objectives. Hess stresses that anthropologists have played and will continue to play an important role for the DFA, helping A.I.D. understand the social, cultural, and institutional structures, behaviors, and values which provide incentives to Africans.

In "Practicing the Anthropology of Development: Comments on Anthropology and Foreign Assistance," Robert McC Netting reviews the key insights presented in this volume. He concludes that anthropological studies of decision-making and change that are both micro-level and are aware of larger systems are indispensable for improving development results for three reasons. First, they question the undifferentiated macroeconomic models of economists and the theories of political economics based on inequality and external power. Second, they see economically realistic adaptation and creative adjustments at the level of the household, voluntary groups, and communities operating through existing social structures. Third, the successes and failures of indigenous change must be analyzed comparatively and historically by means of local case studies and used to inform development planning.

Clearly this volume offers development practitioners and scholars, policy makers, and planners a great deal of food for thought about the future of foreign assistance and new directions for development anthropology. Those social scientists seeking a more detailed account of the "ins and outs" of employment in development will find a valuable resource in Stalking Employment in the

Nation's Capital (Koons, Hackett and Mason 1989). The book includes chapters prepared by several of the people who crafted articles for this volume. The words of Michael Cernea, a senior anthropologist at the World Bank, in his foreword to the Koons, Hackett, and Mason volume, provide an appropriate ending for this introduction and transition to the remainder of the present volume:

> The frontiers of the discipline are being pushed further by practicing anthropologists and more of them are needed. Perhaps our ultimate gratification, as well as heightened responsibility, derive from the same source: our applied work, policy or operational, is directly consequential to many people in real life (Cernea 1989:ii).

NOTES

1. Mari Clark and John Mason are the joint editors for this volume and were the co-chairs for the panel at which these papers were first presented. They are both long term consultants to the Agency for International Development through contracts with Labat Anderson Incorporated. Mari Clark works with the Office of Women in Development in the Bureau for Program and Policy Coordination. John Mason works in the Center for Development Information and Evaluation in the same Bureau. The views presented in this introduction are those of the authors and do not represent those of either the Agency for International Development or Labat Anderson Incorporated.

2. See Britan et al (1989) for a critical review of fifty documents representing various perspectives on the problems inherent in U.S. foreign assistance.

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THE FUTURE OF FOREIGN ASSISTANCE

GERALD M. BRITAN*

INTRODUCTION

U.S. foreign assistance has passed through a number of distinct phases over the past 30 years -- from a 1960s concern with building development infrastructure, to a 1970s emphasis on alleviating poverty, through a 1980s focus on economic restructuring for growth. As foreign assistance strategies have changed, so too have the roles and significance of social scientists in planning, implementing, and evaluating development activities. And, while opportunities for anthropologists and other social scientists grew rapidly during the 1970s, they shrank nearly as fast in the 1980s. In the 1990s, however, opportunities for social scientists are beginning to expand rapidly again.

Today we appear to be in the midst of another major foreign aid shift. Pressures from Congress and outside interest groups, the rumblings of an increasingly frustrated foreign assistance bureaucracy, the growing diversity of developing countries, and the emergence of dramatic new forces for political and economic freedom -- not only in Eastern Europe, but also in Asia, Africa, and Latin America – all require new development thinking. New issues, strategies, and management forms are emerging as part of a new 1990s emphasis on "open societies and open markets." But facilitating the transition to political and

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*The views expressed in this paper are those of the author and do not necessarily reflect the views of the Agency for International Development.

economic freedom – and, in particular developing the institutional basis for democracy and growth -- involves a new array of social science questions. Thus, while the 1990s promise to be a decade of significantly increased opportunities for applied social scientists, these social scientists will be addressing substantially different problems than they considered before.

PREVIOUS FOREIGN ASSISTANCE STRATEGIES

U.S. foreign assistance has changed dramatically during the course of the past several decades. During the 1950s and 1960s, the Agency for International Development and its predecessors placed their primary emphasis on directly transferring Western technologies through large infrastructure and technical assistance projects. Bridges and roads were constructed, ports were improved, communications were upgraded, factories were built, schools were erected, colleges were staffed, and agricultural extensionists were fielded to provide the necessary material base from which economic growth was expected to naturally emerge.

By the 1970s, however, it had become clear that although most countries had experienced significant growth, poverty was persisting and in many cases getting worse. A.I.D.'s development projects were refocused on "new directions" for meeting the"basic human needs" of "the poor majority." Emphasis was placed on improving health and human services, providing basic education, facilitating integrated rural development, and otherwise improving the capabilities of indigenous organizations to better meet the needs of the "poorest of the poor."

By the early 1980s, following a series of economic shocks, emerging debt, falling trade, and several near economic collapses, U.S. foreign assistance programs changed direction again. The emphasis now turned to restimulating economic growth as a necessary pre-condition for improvements in social and human welfare. The primary vehicles were economic liberalization, private sector development, policy reform, and structural adjustment.

As the focus of U.S. foreign assistance shifted, so too did the mechanisms and organizational forms through which this assistance was provided. During the 1960s, A.I.D. and its predecessors were primarily involved in designing and approving large infrastructure and technology transfer projects, which were expected to directly generate positive economic returns. Many of these projects were funded through loans and many were directly implemented by A.I.D. contractors and staff.

During the 1970s, A.I.D. was still primarily in a project assistance mode, but the emphasis of "new directions" was dramatically different. Projects were targeted at particular problems of poverty and the needs of particular groups of poor "beneficiaries," based on a thorough analysis of the nature and causes of poverty. Most projects sought to increase the capabilities of indigenous organizations to meet the needs of the poor ("institution building"), rather than directly providing services to these beneficiaries through A.I.D. staff or contractors. Increasingly, development assistance was provided in the form of grants rather than loans.

By the 1980s, A.I.D. strategy had shifted towards an even more indirect involvement in development aimed at altering the policy and institutional structure for economic growth. Increasing emphasis was placed on non-project assistance, program lending, and policy dialogue intended to create appropriate incentives and more "rational" resource allocations as a basis for renewed economic growth. This program lending placed a premium on A.I.D.'s capabilities for policy and economic analysis and for the negotiating skills needed to achieve agreement on acceptable policy changes.

These transitions had major implications for staffing and organization of foreign assistance as well. During the 1950s and 1960s, A.I.D. and its predecessors were primarily technical agencies staffed by engineers, agronomists, and loan officers. By the 1970s, "new directions" required a whole new range of skills in analyzing the social, economic, and political dimensions of poverty. At this time, A.I.D. added a large number of social scientists, including most of the present cohort of anthropologists. By the 1980s, however, A.I.D. was hiring economists, MBA's, and accountants, rather than social scientists. Being identified as an anthropologist was more likely to harm than to help one's prospects for employment.

THE CURRENT SITUATION

During the past few years, a broad consensus has been emerging that U.S. foreign assistance needs rethinking. A growing array of reports from Congress, A.I.D., outside interest groups, and academic researchers all agree that current foreign assistance programs are inadequate and that new approaches are drastically needed (see, for example, Bissell, 1989; Britan et al, 1989; Hellinger et al, 1988; House Foreign Affairs Committee, 1989; Phoenix Group, 1989; Smuckler et al, 1988; Woods, 1989; etc.).

This consensus rests on a common recognition of key development trends and foreign assistance problems. There is general agreement that economic growth is essential for long-term improvements in human welfare, that policy and institutional changes will be necessary in most countries to provide the basis for such growth, and that markets are generally much more effective than central planning for allocating development resources. At the same time, there is also growing recognition that economic reform alone is insufficient, that policy changes must be implemented through more effective institutions, that appropriately public functions must be improved, and that steps will have to be taken to ensure that the benefits of economic growth are broadly and equitably distributed.

Most outside commentators also see common failings that undercut the ability of U.S. foreign assistance programs to achieve these aims, including:

- an obsolete Foreign Assistance Act, encumbered with 25 years of accretions, "barnacles," "earmarks," and contradictory objectives;
- too much emphasis on planning, designing, and justifying the implementation of development programs and projects, but too little emphasis on achieving significant development results;
- too much emphasis on monitoring "inputs" and "outputs", but too little evaluation of development impact;
- too much emphasis on short-term program and project results and too little emphasis on achieving sustainable development and employment growth;
- too little program flexibility and too much Congressional micromanagement;
- too much reliance on public sector planning and interventions and too little emphasis on private sector roles, market allocation, and political and economic liberalization;
- too little concern about environmental preservation and the environmental implications of development interventions.

THE FUTURE OF FOREIGN ASSISTANCE

Precisely what these concerns imply for the future form and substance of U.S. foreign assistance is difficult to predict. Radical changes--the creation of a foreign assistance foundation, the channeling of the bulk of assistance through Private and Voluntary Organizations (PVOs), or the establishment of a foreign assistance investment corporation patterned on OPIC--are not inconceivable. Presuming that a substantial portion of foreign assistance will continue to be provided through an A.I.D.-like organization of resident Missions developing discrete programs and projects, some of the more likely changes include:

- continued decentralization of authority to country Missions, but increased accountability for results;
- more focused intervention strategies, that recognize the limits of U.S. assistance, the comparative advantages of A.I.D., and the particular skills of U.S. professionals;
- more emphasis on minimizing social and economic costs and ensuring a broad and equitable distribution of economic benefits within a framework of continued economic reform and political liberalization;
- more emphasis on achieving significant development results, on assessing program performance, and on using performance information to improve program management;
- more emphasis on rapid appraisal and other cost-effective data collection and analysis techniques, but less emphasis on rigorously designed development "research";
- a closer integration of development planning, management, and evaluation.

Indeed, many of these changes are already occurring within A.I.D. During the past two years, A.I.D. executives, the Regional Bureaus, Congress, and outside interest groups have all expressed increasing concern about the need to reorient A.I.D.'s program management and evaluation towards development results. In many ways, this represents the culmination of a major shift in A.I.D.'s strategy, that began in the early 1980s, from an emphasis on discrete <u>projects</u> targeted at alleviating particular pockets of primarily rural poverty to an emphasis on coordinated <u>programs</u> (including projects, non-project assistance,

policy reform, and related efforts) aimed at making a difference for overall host country development. This renewed concern with achieving more significant development results is reflected in ongoing efforts by each of the Regional Bureaus (and several Central Bureaus) to clarify program strategies and objectives, to improve program evaluation guidance, to develop more useful program performance indicators, to implement performance-based budgeting, and to better apply program performance information in management decision-making. Most recently it has also been expressed in the new A.I.D. Administrator's "Strategic Management" initiative (Roskens 1990).

Following the usage of A.I.D.'s Africa Bureau (and, increasingly, the broader parlance of the Agency), a "program" can be defined as the entire range of project, a non-project, and policy reform activities aimed at achieving a particular strategic objective. A strategic objective, in turn, represents some significant development achievement: increased private sector investment, improved agricultural productivity, decreased infant mortality, or the like. In the Africa Bureau's terms, a strategic objective represents the highest level of development result to which A.I.D. directly contributes and for which it is willing to be held accountable. Such strategic objectives should be definable and linked at the Mission, Bureau, and Agency level. Few, however, are.

While a major new emphasis on "strategic thinking" is now emerging within A.I.D. (initially in the Africa Bureau, but more recently in Asia and Near East Bureau (ANE) and the Latin America and Caribbean Bureau (LAC) as well), missions have historically developed their portfolios in a much more piecemeal fashion. They have tended to design and fund a diverse range of projects aimed at particular project results. Larger objectives have usually been addressed only in periodic "Country Development Strategies" that were loosely linked to project activities. Missions have rarely articulated clear strategies linking a series of project and non-project activities to higher level development results. Such strategies have, until quite recently, been even less well defined at Bureau and Agency-wide levels.

Much of the recent planning ferment in both the ANE and Africa Bureaus can be seen in this light as part of a broader Agency shift to more sharply define the most promising program strategies through which significant development results can be achieved and to translate these strategies into country programs. The FY 1989-91 Action Plan of the Development Fund for Africa, for example, articulated four strategic objectives for the region: 1) improving economic management, 2) strengthening competitive markets, 3) developing the potential for long-term increases in productivity, and 4) improving food security. During the past two years, the Africa Bureau has made a concerted effort to help individual missions focus their programs more coherently towards the achieve-

ments of these strategic objectives and develop related performance information systems to assess and report on their progress.

More recently, the ANE Bureau initiated a similar effort to refocus country programs around common "political and economic freedom" goals. The LAC Bureau is now also articulating a comparable set of core objectives and has increased its efforts to help Missions focus their programs and develop more relevant performance indicators.

This increasing concern with program planning and performance is also reflected in ongoing efforts by each of the regional bureaus to improve program evaluation guidance, develop program performance indicators, assist missions in implementing program-level management and evaluation systems, and better apply program performance information in mission and bureau decision-making. During the past year, for example, the Africa Bureau has sent representatives to nearly every mission to communicate Development Fund for Africa (DFA) Action Plan priorities and help missions formulate related country-level strategies and objectives. Similarly, the ANE bureau has mounted a major technical assistance effort to help missions develop program performance indicators and information systems, while the LAC bureau has concentrated on expanding project monitoring and evaluation systems to assess "goal" and "purpose" achievements. Offices with centralized program responsibilities--most prominently Food for Peace and Women in Development--have initiated similar efforts to better define core program objectives and indicators and have begun providing technical assistance to help missions develop more appropriate information systems for reporting progress. And, just within the past few months all of the Regional Bureaus have begun experimenting with new "Program Impact Assessment" formats (replacing much unnecessary and underutilized project implementation reporting) and new "performance-based budgeting" systems.

In 1989, A.I.D.'s central evaluation office (CDIE) began more closely examining these expanding efforts to evaluate program performance, develop program performance indicators, and more strategically manage programs for development results. It quickly became apparent that most of these efforts were being developed piecemeal; lacked consistency in orientation, methodology, or standards; and sometimes seemed to be primarily "paper planning" exercises intended to satisfy either A.I.D. executives or the Congress. By mid 1989, in close collaboration with the regional bureaus and other central offices, CDIE began providing more active leadership and coordination by initiating Program Management and Evaluation Pilots to develop model program performance information systems with two or three selected missions in each region.

The program performance pilots involve: (1) initial strategic planning and information needs assessments (to clarify mission program strategies, objectives, indicators, and information needs); (2) design and implementation of appropriate program performance monitoring, reporting, and evaluation systems; and (3) assistance in applying program performance information in mission management and as a basis for upward reporting to regional bureaus, senior A.I.D. executives, and the Congress. These pilots are being implemented jointly, over a two to three year period, by mission, bureau, and CDIE staff, assisted by outside contractors experienced in program management and evaluation.

Phase I of the program performance pilots, which included program performance needs assessments and the preliminary design of information systems in seven countries, has now been completed. During this same period, Management Systems International (CDIE's primary contractor for this exercise) performed similar activities in 12 additional missions, funded entirely from regional bureau and mission sources.

Initial response to, and products from, Phase 1 of the program performance pilots effort have been very encouraging. The pilots have already yielded important lessons about how program performance information can best be collected and most effectively used and have helped participating missions produce program strategies and evaluation plans (e.g., in Kenya, India, and Bolivia) that have been widely heralded as Agency "models." The pilot efforts are also beginning to generate more immediately useful decision-making information.

Much more, however, remains to be done. Performance information Systems are still, for the most part, paper plans that must be implemented and replicated, and generate information that is actually used by mission, bureau, and senior managers. The exercise, however, already has a number of broader implications for A.I.D.'s evolving development approach:

- Evaluating program performance cannot simply be reduced to monitoring country-wide political and economic trends. While A.I.D.'s program cannot be judged successful in the long term unless economies are growing, societies are opening, and people are becoming measurably better off, such country trends, by themselves, tell us little about how A.I.D.'s programs actually contribute to development. This does not mean that A.I.D. should ignore larger development trends, but rather that we cannot simply presume that these trends have resulted from A.I.D. initiatives. In evaluating program performance we are assessing whether A.I.D. is in fact achieving strategic objectives

that are strongly linked to A.I.D.'s interventions. It is in identifying and articulating further linkages between program achievements and country trends that the domains of economic analysis and program evaluation ultimately overlap.

- The evaluation of program performance is inexorably intertwined with program planning and policy formulation. Program performance can only be evaluated in program areas where reasonably clear strategic objectives have already been specified or could be empirically delineated. The "program strategy" defines the framework for evaluation. Conversely, efforts to clarify performance measures quickly reveal the adequacy of the program strategy being assessed. And, a lack of program focus or a wide diversity in program emphasis across countries is a good indication that relevant policies are inappropriate or inadequate.

- Although A.I.D.'s country programs are diverse, this diversity was somewhat less than expected. Conventional wisdom holds that each country program is unique and can only be assessed in its own terms. While our experience with performance evaluation pilots revealed an enormous range in the breadth and character of country programs--from missions pursuing dozens of objectives with discrete projects in nearly every conceivable sector to missions that concentrated nearly all of their resources in an effort to achieve a single major goal, most country programs appear relatively well focused, with the bulk of activities oriented towards perhaps three to six strategic objectives. There also appears to be substantial consistency in the nature of these objectives across countries, with perhaps a dozen "core" program elements appearing again and again.

- Strategies and objectives in some program areas are already defined fairly clearly and common program performance indicators could be delineated fairly easily. In some program areas (such as population, child survival, and education), program objectives and interventions appear to be quite similar across countries and regions, representing either a single well-defined strategy or a relatively small number of alternatives.

- Strategies and objectives in other program areas, while not yet clearly articulated, are becoming more empirically explicit in mission portfolios and (with appropriate program and policy

coordination) could provide a basis for common program performance indicators. Although initially quite diverse, A.I.D.'s activities in some newer areas, such as private enterprise development and natural resources management, appear to be coalescing (partially as a result of the performance pilots exercise) around a more limited set of interventions. With appropriate program and policy coordination, this could provide a basis for more clearly delineated program strategies and a set of common performance indicators. Similar possibilities may exist in emerging "political and economic freedom" areas.

- Strategies and objectives in some other program areas remain quite diverse and the development of common program performance indicators will remain quite difficult unless such programs can be more sharply focused. This appears to be particularly true for Agriculture and Rural Development activities, which represent the largest component in A.I.D.'s development portfolio.

- Performance evaluation systems can and should be developed as "nested hierarchies" which not only serve mission management needs, but also provide useful information for more senior decision-making. Management theory and practice strongly suggests that hierarchical information systems are only viable if they serve real decision-making needs at operational levels. The pilots suggest that much performance information that is immediately useful to mission managers is also relevant to bureau and senior management needs, particularly in comparatively assessing country performance.

- Measuring performance for central, cross-cutting programs (such as WID and FFP) presents special problems, which can probably only be resolved through a combination of mission reporting and central studies. If strategies, objectives, and indicators for programs like WID and FFP were more clearly delineated, missions could provide much more focused performance information, but in-depth or comparative studies to interpret this information would still need to be managed by central program offices.

As CDIE's final Phase I report suggests, "based on initial success, the ... [program performance evaluation pilot effort] ... has the potential to facilitate a more mature and results-oriented dialogue between A.I.D./W[ashington] and its

Missions and to provide a more substantive basis for reporting to Congress and the American people. At least as importantly, initial evidence suggests that these benefits can be realized with enthusiastic participation rather than resistance from USAID Missions and can serve as structured opportunities for improved program management and motivation."

IMPLICATIONS FOR SOCIAL SCIENTISTS

These changes in A.I.D.'s foreign assistance strategy have a number of implications for anthropologists and other social scientists. While the demand for social analysis skills will likely grow (both in program design and evaluation) these skills will have to be combined with a greater facility for economic and political analysis (economic growth and democratization), on the one hand, and for management and organizational development, on the other. It is no longer sufficient for anthropologists and other social scientists to be specialists only in indigenous cultures, they must also become specialists in the even more arcane cultures of A.I.D., other development organizations, and host country bureaucracies.

In other words, an effective A.I.D. anthropologist in the 1990s will have to be a truly applied anthropologist. Such an anthropologist will be less concerned with traditional research questions, but much more able to translate anthropological knowledge and research skills into measurably more effective economic development programs and the management systems necessary to make these development programs work.

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HUMANIZING THE DEVELOPMENT PARADIGM

MARI H. CLARK[1]

Various development practitioners, academics, public interest groups, and politicians are expressing growing dissatisfaction with the macroeconomic development paradigm that has dominated foreign assistance in recent years. Looking briefly back at the economic development models that guided development assistance in the past, one finds a search for the crucial factor, the one button to push, to drive economic growth. In the 1920s it was natural resources, then capital came into the limelight. In the 1950s and 60s it was supply of entrepreneurial and managerial abilities and capital investment (Granovetter 1990), and, in the 1980s, it was macroeconomic policy.

Guided by this thinking, a fair amount of the delivery of foreign assistance focused on things (such as infrastructure and markets) that were expected to stimulate economic growth rather than on the people whose efforts also are essential to achieve and sustain such growth. Even households were treated as things -black boxes that maximize economic utility (Blumberg 1989, Folbre 1988, Hoben 1982, Wilk 1989). Infrastructure, soil fertility and seed varieties, markets, financial institutions, economic policies, and credit in all their complexity are still easier to deal with than the diversity of human behavior.

And yet, there many examples of development projects that floundered or failed because the human element was not taken into account adequately. This has been particularly the case for culturally defined differences such as gender roles and ethnic identity, that affect people's economic constraints, opportunities, and incentives (see Blumberg 1989).

A concern to re-introduce the human element into development thinking is reflected in recent development reports such as *Adjustment with a Human Face* (Cornia, Jolly, and Stewart 1987) *Engendering Adjustment for the 1990s* (Commonwealth Secretariat 1989), the 1990 *World Bank Development Report* which focused on poverty, and the 1990 United Nations Development Programme (UNDP) *The Human Development Report*. It states:

> This report is about people - and about how development enlarges their choices. It is about more than GNP growth, more than income and wealth and more than producing commodities and accumulating capital. A person's access to income may be one of the choices but it is not the sum total of the human endeavor (UNDP 1990).

For years, economists, politicians, and development planners have used average per capita income as the measure of the status of development within specific countries. Seeking to modify the GNP approach, a UNDP team of scholars created a "human development index" which assesses, in quantitative terms, how people's lives are enriched or impoverished as a result of access to education, health care, and democratic freedom, as well as their income; it also takes into account the protection of natural resources (UNDP 1990, Gall 1990).

A greater concern for the human element in development is also evident in the concept of "participatory development," which is once again on the development discussion table[2]. It was one of the major points of discussion during meetings of the Donor Assistance Committee (DAC) of the Organization for Economic Co-operation and Development (OECD) in October and December of 1990.

The need for more participatory development also appears in recent critiques of development assistance. For example, one assessment argues that development assistance organizations are effective to the extent that they:

> ...deliver assistance on a "hands-off" basis that appropriately complements ongoing or emerging self-development endeavors in the field; channel assistance directly to the poor through democratic development institutions whose roots extend into the local community fabric; assist local groups in gaining the resources and leverage necessary to control their own development processes (Hellinger, Hellinger and O'Regan 1988).

Similarly, in a recent critique of foreign aid, Steven Browne insists that the only way to achieve sustainable human development is by enabling people to make their own lives better. "They must therefore be more fully participants in their own destinies, able to articulate their needs, able to make decisions that affect their lives, and able to avail themselves of the means for self-improvement" (Browne 1990: 148).

This stress on participatory development is not a return to the human needs, welfare orientation of the 1970s, discussed in the Introduction. In fact, one measure of effective development assistance, suggested at the OECD/DAC meetings noted earlier, was the extent to which it leaves people with greater control over their lives after the foreign resources have been spent and the foreign consultants have gone home. The DAC group concluded that new approaches were needed to ensure that aid contributes more decisively to effective economic policies, equitable access to resources, and broader public participation in decision-making.

The Agency for International Development (A.I.D.) reported to Congress on its multifaceted approach to poverty reduction in developing countries in its annual *Congressional Presentation*, This responded to the requirements of Section 593 of the FY 1990 Foreign Assistance Appropriation Act. A.I.D. poverty alleviation activities span a wide range of areas such as health, education and nutrition, export promotion, infrastructural development, and support for democracy. The report includes two types of poverty indicators: 1) measures of the dimensions of poverty in specific countries; 2) poverty reduction trends in relation to A.I.D. program objectives and assistance for specific countries (A.I.D. 1991).

The 1990s will be a critical decade during which anthropologists and other social scientists can and should apply anthropological theory and methodology to reshape and humanize the development paradigm. In so doing, they should ensure that gender, ethnic affiliation, or other sociocultural factors are not the basis for excluding or limiting participation in or access to the benefits of development assistance efforts. This humanizing focus is particularly important as donor agencies direct increasing proportions of of their assistance to national-level economic assistance targeted to leverage national policy changes rather than projects targeted at specific groups and needs.

Development practitioners are increasingly recognizing that market dynamics alone are not enough to predict trends in developing economies or to assure the outcomes of policy reforms designed to strengthen those economies. Practical experience has shown that "getting the prices right" is not enough to

resolve economic crises and initiate broad-based, sustainable, economic growth. As a result, there is increasing attention given to the effects of the political economy of policy reform and the impact of these reforms on poor households. The concern for the political economy includes the institutional framework (legal and regulatory mechanisms) and the politics of the players who enact and implement policy and stand to win or lose from proposed reforms (Grindle and Thomas 1989, Reifenberg 1990a).

In order to bring the human factor back into focus, it is very important to examine linkages between the macro-level of economic and legal systems and the micro-level of individual and small group economic decision-making. Attempts to analyze this linkage, such as the World Bank's Social Dimensions of Adjustment (SDA) project (see Boyle in this volume), could benefit significantly from anthropological concepts and analysis. Particularly important is an empirically based understanding of the knowledge, needs, and incentives that affect people's decision-making in specific settings.

To establish these macro-micro linkages in a rigorous way, anthropologists need to pursue the kind of "marriage" of economics and anthropology that Scarlett Epstein discussed many years ago (Epstein 1967; see also Bates 1988, Scherr 1988, and Schneider 1988) along with a union with political and policy sciences (see Britan and Cohen 1980).

In a broad sense, an anthropological perspective provides several critical concepts for re-thinking and humanizing the development paradigm. These include: a focus on people - their beliefs and decisions, as well as their actions; a comparative approach - analyzing cross-cultural variation and change over time; and a holistic perspective. That is, rather than dissecting the market economy from its socio-political fabric, as does traditional economics, anthropology examines the relationship of the market to other aspects of human endeavor. It does so by borrowing and synthesizing analytical constructs from political science, economics, law, and other disciplines.

In a recent discussion of what a "great work" in development anthropology might look like, Robert Bates stressed the importance of its analysis of variations in: forms of intervention and local responses to them; forms of state intervention; the ways institutions affect the ways in which people respond to 'exogenous' shocks; the way in which variations in the characteristics of local communities influence the form of public intervention (Bates 1988, pp. 83-84).

Going beyond a basic anthropological perspective, there are many specific anthropological constructs and models, incorporating elements of economic, political and other related theory, that could also contribute significant-

ly to the re-shaping and humanizing of the development paradigm. For example, as early as the 1950s, Eric Wolf demonstrated how institutional analysis can serve as a means of tracing politico-economic macro-micro linkages and flows of goods, services, and information between local, regional, and national level organizations (Wolf 1955). Wolf and others analyzed these linkages in terms of mechanisms such as patron-client relationships (Wolf 1955), social networks (Barnes 1971), and marketing systems (Smith 1976). Frederic Barth's notion of "spheres of economic exchange" incorporating game theory and stressing the important of "transactions" is also relevant (Barth 1966).

The "gifts and poison" of political gamesmanship, discussed by F.G. Bailey also offers valuable insights for understanding the decision-making of the winners and losers in economic reform (Bailey 1971). Carol Smith's examination of the relationship between types of market structures and the nature of the political organization in which they operate is also relevant (Smith 1976) as are studies on bureaucracies by scholars such as Gerald Britan and Ronald Cohen (1980), Alan Hoben (1980, 1982), and Kathleen Staudt (1985, 1990).

More recently, anthropologists have applied the concept of "transaction costs,"[3] taken from the "new institutional economics"[4], to provide more rigor to the analysis of politico-economic relationships (Acheson and Wilson 1989, Ensminger 1989). For example, James Acheson and James Wilson have recently developed a preliminary model of the growth of firms, combining anthropological and new institutional economics perspectives. They argue that social factors affect market efficiency and organizational costs which in turn affect capacity to use technology, capital, and human resources (Acheson and Wilson 1989).

Anthropologists have also engaged in the studies and debates about the impact of structural adjustment on people. Some argue that adjustments in monetary policies, such as devaluation, increases in artificially low food prices and interest rates, decreases in government spending, wage freezes and elimination of subsidies provide the means to revitalize stagnating economies. Others claim that this is not adequate and a structural transformation of the economy (i.e. the structure of demand and production) is needed. Still others insist that adjustment policies ignore reality at the village level in a manner that could cause more food crises in Africa in the 1990s. For these farmers, 80 percent of whom are women, decreases in government spending could eliminate their opportunities for education and health care. Removal of subsidies may place fertilizer beyond their means. *Structural Adjustment and African Women Farmers*, edited by Christina Gladwin presents evidence from the various sides of the debate (Gladwin 1991).

Michael Horowitz argues that anthropologists have already made substantial contributions to the understanding of the social, economic, and ideological dynamics of specific areas of development assistance over the past 20 years, but they have been too modest about these accomplishments (Horowitz 1988).[5]

In order to play a greater role in the development process development anthropologists need to follow Horowitz' advice to promote their discipline's analytical wares. To contribute to the humanization of the development assistance paradigm, it is essential also to play a proactive and advocacy role in the development policy formulation, program design, performance monitoring, and impact evaluation of the sort described by the other authors in this volume. This requires the kind of shift from the academic role of the anthropologist as observer, analyst, and critic of development assistance to action-oriented roles that enable changing the way in which the development assistance system works. Michael Cernea advises the newcomer to development anthropology to "...be prepared to go beyond the mythical role of 'data-providers for decision-makers' and themselves become policy formulators and program designers" (Cernea 1989:ii).

Anthropologists need to apply strategic thinking to identify areas necessary to affect in order to redirect the development process to focus more on people. They need to assess where and how anthropologists can expect to have a comparative advantage in doing so. The strategic points of intervention that emerge again and again in the literature on development anthropology are: all levels of policy-making (congressional, donor agency and host country); program design (agency-wide and country-specific); and monitoring and evaluation. At each of these points in the development assistance process there are formal and informal systems and procedures, roles and responsibilities that must be understood as well as the specific development problems that anthropological research can inform.[6]

Macroeconomist Sara Scherr advises the anthropologist that the way to influence policy is to "take the plunge" and draw policy conclusions from their research. She suggests that one reason economists have dominated many policy debates is not the reliability of their data but their ability to analyze problems in the form - "if this happens then that will happen" (Scherr 1988:138-139).

In summary, to influence and shape development policy, program design, and evaluation to more fully integrate people into the development process, anthropologists need to use their policy relevant findings along with an anthropological understanding of the bureaucracy of development assistance.

In closing, it is also relevant to note the need, within anthropology, to improve the dialogue between the so-called "applied" and "academic" branches of the discipline. Everyone recognizes that this is not a distinction between "thinkers" and "doers" or between elite ivory tower theorists and "quick and dirty" research "mercenaries". It is based on the type of institution in which anthropologist practice their discipline. However, there is too often a reluctance on the part of anthropologists working in academic institutions to recognize that their colleagues who work outside of academia have valuable contributions to make to anthropological knowledge and theory. Similarly, anthropologists outside of academia too often question the usefulness new insights in anthropological theory to their efforts "in the trenches" of applied anthropology.

The concept of praxis,[7] embodying both theory and action, should remind anthropologists of the dynamic potential for more innovative theory and more analytical power to guide development assistance that could result from a better dialogue between the university and the development community.

A model for such a dialogue is presented in Robert McC Netting's commentary on the papers in this volume. Speaking from the university with a voice full of respect for development anthropology, he makes the point that "... analysis of how choices, preferences, and indigenous institutions can and are coping with new constraints and options is an indispensable contribution." This contribution is two-fold - to anthropological theory and also to the improvement of development assistance by practicing anthropologists.

NOTES

1. The author is a consultant to the Agency for International Development (A.I.D.) Office of Women in Development, through Labat Anderson Incorporated. The views expressed in this article are those of the author. They do not represent either the Agency for International Development or Labat Anderson, Inc.

2. See Cohen et. al. for a summary of earlier work on participatory development stimulated by the "New Directions" legislation which is discussed in the introduction to this volume.

3. The term "transaction costs" refers to the time, effort, and money required for obtaining the information needed for a successful exchange, in contrast to "market costs", which refers to the monetary costs incurred in acquiring resources.

4. See Granovetter (1985) for a detailed discussion and critique of the "New Institutional Economics" in terms of its failure to address the importance of social relations in institutional transactions.

5. Some examples of specific development areas to which anthropological studies have contributed include: involuntary relocation, recolonization, and resettlement; the relevance of local organization to recurrent costs and debt repayment; the operation of the "informal sector"; the nature of urbanization and urban social organization; the relevance of age, class and gender in rural production, exchange and consumption; the diversification of rural production systems and the role of wage labor migration in rural economies; rural employment generation, both on- and off-farm; marketing and rural-urban linkages; the structure of user associations in the distributions and control of water; the development of central river basins; the management of "fragile lands"; importance of open-range access in pastoral production systems; afforestation and common property management (Horowitz 1988).

6. Hoben identifies important contributions that development anthropologists provide for programming and policy contexts. Some examples include: providing reliable data from small meaningfully stratified samples that can be used to judge the plausibility of data that have been collected by census and sample survey techniques for topics such as income, access to land, factors affecting demography; clarifying the details of decision-making processes and strategies that can only be inferred from other sources; documenting the actual, as opposed to theoretical, constraints on productive processes, marketing, access to credit, education or health services faced by different groups; explaining linkages between sectors that are not obvious from a macroeconomic perspective; and outlining the organization, interests, and strategies of local elites and bureaucrats at all levels (Hoben 1982:369).

7. It is not by chance that one of the major awards given to outstanding practicing anthropologists is entitled the "Praxis Award." The Washing-

ton Association of Professional Anthropologists, which established the award, stresses the notion of "practicing" anthropology rather than "applied" anthropology to de-emphasize the distinciton between academic and nonacademic employment. The Association welcomes anthropologists who practice anthropology in all types of institutions.

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ACTIONS OF THE U.S. CONGRESS TOWARD ENVIRONMENTALLY SUSTAINABLE FOREIGN ASSISTANCE

KATY MORAN

EXECUTIVE SUMMARY

As we enter a new decade and anticipate a new century, a perceived global environmental crisis has motivated the United States Congress to implement social, economic, and environmental change in order to endow future generations with a more sustainable heritage. To achieve that end, the Congress recognizes that the U.S. must first and foremost reform domestic policies. But also, during the 101st Congress, attempts to reauthorize the Foreign Assistance Act (FAA) offered the opportunity to reassess and redirect U.S. foreign policy priorities toward a more participatory and sustainable development process (Smuckler et al 1988).

In an effort to clarify the policy process and to include more anthropologists in it, this paper will identify some of the factors that influenced the environmental debate in Congress over attempts to reauthorize the FAA. I will describe studies and reports from congressional committees and subcommittees that examined connections between development and the environment in U.S. foreign assistance, congressional hearings at which scientists testified on the threat of global change, and media attention that motivated voters and special interest groups to demand action from Capitol Hill.

On another level of analysis, this paper will describe how and why a "Global Warming Initiative" for a U.S. foreign assistance appropriation was developed and drafted in a particular congressional office in response to the

debate over reauthorization of the FAA (Goodenough 1963; Bee 1974; Weatherford, 1981; Moran 1989). In the "Global Warming Initiative", a ten million dollar appropriation to the U.S. Agency for International Development (USAID) was included to encourage the development of energy efficiency and renewable energy projects in the Third World by funding development of environmentally benign energy strategies.

Finally, using an anthropological perspective, the process of change in Congress will be presented. How and why the FAA did not get reauthorized during the 101st Congress, but how and why the "Global Warming Initiative" was eventually incorporated into report language for the Subcommittee on Foreign Operations Appropriation and became public law will be discussed.

INTRODUCTION

"Study up", Nader (1974) advised anthropologists, "Understand the process whereby power and responsibility are exercised in the United States". Kimball (1978) agreed, but felt few were active in the policy arena because anthropologists have typically been concerned:

> ...with remote peoples or in the past. The trash heaps of ancient civilizations, the bones of ancestral primates, or the social climbing feasts of isolated tribes may conceivably yield some cosmic truths, but they contribute little to explaining the price of beans.

However, Weatherford (1981), who worked as a congressional staffer on Capitol Hill, writes that the professional skills for anthropologists to participate in the policy process are already in place. In *Tribes on the Hill*, he describes similarities between remote social groups that anthropologists study in the field and policy makers in the United States. "Like the native politicians before them, modern congressmen also clothe their political activities in the awesomeness of ritual and ceremony, filled with fetishes and an esoteric argot."

Basically, anthropologists study and describe the institutions, behavior, and values of groups of humans in the past and in the present. We look at a group's economic and political system, religion and values, kinship and social organization, and rituals and ceremonies. This is done by asking questions such as: What do these people do? How do they do it? And, why do they do it that way? When combined, the unique configuration of these and other factors comprise what anthropologists call the "culture" of the group (Chambers 1985).

As social scientists, anthropologists follow the scientific method while conducting research, with one distinguishing difference. Whereas all scientists observe, anthropologists also participate in the activities being observed. As participant observers, we learn the language and live with the subjects we study and therefore are able to also add an insider's account to our research.

According to Weaver (1985), basic anthropological training and field methods offer unique perceptions that can be valuable to decision makers. The experience of living and working with other societies and cultures supplies credentials for anthropologists as cultural interpreters. We can act as culture brokers and translate concerns between those who formulate and implement federal policy and those who have a special interest in it or are affected by it.

Likewise, these skills are also a means to learn more about the culture of policy makers. Political decisions and policy development usually take place in the legislative, executive, or judicial branches of government in the form of statutes, executive orders, or court decisions, (Saffell 1981). Anthropologists are trained to understand the structure and the underlying values of these organizations and how decisions are made within an institutional or bureaucratic surrounding.

Boggs (1990) describes some of the problems that anthropologists may encounter in the policy arena. He writes how, as the natural sciences have matured, a conceptual convergence has resulted, but for the social sciences, a richer and more diverse picture of things has become apparent. To many policy makers this represents valuable data that adds greater dimensions to the policy process; to others it simply adds confusion.

Colson (1985) reminds anthropologists working in the policy area not to operate under the assumption that accurate information is a means to good policy, and that good policy necessarily leads to right action. She writes that for some policy makers, accuracy of information is assessed only by the degree to which it supports established positions in the politically charged arena in which they operate. Colson feels that precisely because of anthropological insights, research results frequently threaten what others want to believe. With what Firth (1981) has called "uncomfortable knowledge", anthropologists gather the kind of data that often challenges established cliches and puts in question accepted solutions and, consequently, those who champion them.

THE CULTURE OF CONGRESS

Congress is the institutionalized body that the U.S. government has authorized to respond to our nation's problems and to facilitate change through the legislative process. This process reflects our citizens' belief in the concept of progress -- that our nation's destiny can be controlled, as well as altered when it becomes necessary to redirect it. However, existing policy has authority and legitimacy because it is the product of specific social and historical decisions that represents workable and stabilizing links with the past. Therefore, policy change is typically cautious and incremental.

Resistance to change is balanced by the fact that our country is composed of a complex kaleidoscope of constituencies with frequently conflicting social values. The Congress was created to represent all constituencies, and the policy process provides the stage to act out conflicts between opposing values.

Participation in the legislative policy process requires an understanding of the formal and explicit rules of Congress, as well as implicit cues and informal standards for behavior. Formal rules, or congressional procedures, are employed to define, restrict, or expand the policy options available to members during floor debate, and consequently affect the outcome of policy. According to Oleszek (1984), "The procedural rules of Congress encourage deliberation, collegial decision making, dissent, openness, participation and accessibility."

The legislative process is tightly linked to congressional procedures and reflects the messiness, pragmatism, and compromise so typical of democratic policy making. Often, policy decisions are expressed as procedural rules because the complex issues that face Congress defy simple yes or no decisions during debate. Procedures can prevent consideration of some issues and grant priority to others. Members with procedural expertise can shape legislation to their ends; they become shepherds for congressional coalitions trying to pass or defeat legislation.

Informal rules such as precedents and folkways also are a part of the culture of Congress. Precedents are not expressed as formal rules; they represent the "common law" of Congress or accumulated past decisions on matters of procedure. Folkways are unwritten norms of behavior that members are expected to learn and practice by observation. For example, one Senate folkway is the "courtesy" that members practice by avoiding public attacks on the character of Senate colleagues during debate. Members who abide by folkways are rewarded with increased influence in the policy process; those who violate the customs of Congress often find their legislation blocked in committee or on the floor.

Members of Congress have responsibilities other than lawmaking; first and foremost of these is to represent the district and the constituents who sent them to Washington, and who, in the next election, could always elect someone else. Responding to constituent interests subjects members to steady and unrelenting pressures to understand diverse, controversial and complicated issues and to action to help pass or block legislation affecting the issues. Since congressional procedures require bills to pass through a maze of decision points before they can become law, a constant cycle of congressional coalition building is necessary. Each step of the legislative process must be shepherded by a winning coalition to carry a policy recommendation up the next rung of the legislative ladder. While some coalitions are formed to advance legislation, others are formed to block it, so shifting coalitions dissolve and recombine in response to the widely varying issues that are addressed in different congressional committees and subcommittees.

Oleszek (1984) writes that of the 13,000 to 29,000 measures that have been introduced in each Congress since 1965, the number emerging from committee in any one Congress has never exceeded 4,200. The number that was reported out of committee and eventually became public law has never exceeded 810.

It is in the congressional committee that the winnowing process for legislation occurs. Bills that have little support die if they fail to be reported out of the committee of jurisdiction to which they have been referred. Popular, often called "sexy" bills, are expedited through Congress by procedures. Major bills that are controversial are often reintroduced and debated through many Congresses.

Responsibility for substantive and policy-making action in Congress belongs to authorizing committees which propose solutions to public problems and advocate for appropriations for new and existing legislation. Appropriations committees recommend how much federal agencies and programs will receive in relation to fiscal resources and economic conditions. Technically, authorization bills are supposed to be enacted before appropriations, but when passage of authorization bills has not occurred, appropriations bills are passed without them through the use of congressional procedures.

Although each committee has jurisdiction over certain subject matters, contemporary problems tend to have repercussions in many areas so jurisdiction frequently overlaps. The decentralized nature of congressional decision-making is reinforced by overlapping jurisdiction, and many committees can bring their expertise to bear on complex, controversial issues such as the United States Foreign Assistance Act of 1961 (Nowels 1988; Britan et al 1989; Woods 1989).

THE FOREIGN ASSISTANCE ACT

Foreign aid as a national policy for the United States originated with the Marshall Plan in 1947 when U.S. economic support helped to rebuild Europe at the end of World War II. The focus of foreign aid changed from Europe to developing countries during the 1950s when the U.S. Agency for International Development (USAID) was created to implement U.S. economic assistance by an amendment to the Foreign Assistance Act. The U.S. was the first country to offer economic assistance as a national policy, and remained the leader in dispensing absolute amounts until 1989 when Japan surpassed the U.S. in disbursements of economic aid.

Since its inception, American economic and military aid has totaled over $950 billion (FY89 dollars) to more than 100 nations. The Foreign Assistance Act and its appropriations legislation represents an attempt at political compromise to promote a wide range of key U.S. competing priorities such as security, political, and economic and humanitarian interests through many special provisions and earmarks.

Foreign assistance is a major tool of American foreign policy and therefore is subject to special interest group pressures and frequent controversy and debate over its goals and its costs. Recently, the foreign assistance budget has generated substantial disagreement between the executive and the legislative branches, particularly over the continuing practice of Congress to earmark, or protect, important foreign aid recipients. Congress regards earmarks as a means to establish its foreign policy priorities and as a legitimate exercise of Congressional management of the budget. The President, however, views earmarks as a method to undermine his flexibility and to force substantial reductions for countries that are not protected (Nowels 1988).

Congress reviews the President's foreign aid request through a complex jurisdictional network that formally requires both the authorization and appropriation of funds. For most programs, this is done annually, or in the case of authorizations, sometimes biannually. No single committee or subcommittee has total jurisdiction over all foreign aid programs, and consequently, no single bill will contain the entire foreign assistance budget. The House Foreign Affairs and Senate Foreign Relations Committees assume most of the responsibility for authorizing legislation, while the House and Senate Foreign Operations Subcommittees have primary jurisdiction over appropriations matters.

On October 17, 1986, the House Committee on Science, Space and Technology and its Subcommittee on Natural Resources, Agriculture Research and Environment requested a study from the Office of Technology Assessment (OTA) of the U.S. Congress. The request was for an OTA exploratory study to investigate how aid agencies might improve their capabilities to match technologies to local environmental conditions of recipient developing countries. Several other committees suggested that this OTA paper might serve as a resource for oversight and reauthorization hearings of the FAA.

The request grew out of an earlier study conducted under the auspices of the Environmental and Energy Study Institute (EESI) and ten Members of Congress. The EESI study identified the mismatch of technologies with developing country environments as a common contributing cause of development assistance project failures (Office of Technology Assessment Staff Paper 1987).

The conclusion of the OTA study was not surprising -- that the use of ecologically appropriate technologies is crucial to developing countries in stabilizing their fragile economies. Damage to the resource base can be critical, as lesss developed countries ultimately depend on natural resources for development and they lack the funding to implement restoration or reclamation of natural resources.

Likewise, an October, 1988, U.S. General Accounting Office (GAO) recommended that Congress and the Administration revise the FAA to clarify priorities that USAID should address in the 1990s. One issue that the GAO prioritized was environmental degradation (U.S. GAO 1988).

"Sustainable Development and Natural Resources: A Strategy for U.S. Foreign Assistance" is a 1988 report to Congress from the Secretary of State (U.S. Dept. of State 1988). The report, compiled by the State Department's Bureau of Oceans and International Environmental and Scientific Affairs, was submitted in response to Section 537 (k) of the Foreign Operations Appropriations Bill (Public Law 100-202).

The report opens by citing World Bank President, Barber Conable:

> ...our fight against global poverty...our commitment to environmental protection...are not just consistent. They are interdependent. Sustained development depends on managing resources, not exhausting them. Economic growth based on any other premise is a costly illusion (Conable 1987).

A conclusion of the report was the need to support institution building in developing countries through aid channeled specifically toward strengthening the role and capacity of existing indigenous environmental protection and resource management agencies abroad. The report states:

> Experience in the U.S. shows that these organizations often play a key role in identifying problems or risks from projects or policies and help identify viable alternative approaches. Many of the environmentally harmful aspects of projects funded by the multilateral development banks (MDBs) were first spotlighted by U.S. based non-governmental organizations (NGOs). Their identification of problems and their public activism aimed at policy revision have frequently resulted in positive change in Third World development projects (U.S. Dept. of State 1988, p. 9).

It was further reported that, because of their vested interest, NGOs in borrowing countries often have a greater commitment, knowledge and understanding of local environmental conditions and of social and cultural factors at project sites, and can represent those groups that are most immediately affected by projects.

The official response of the House Foreign Affairs Committee was to organize a bipartisan Task Force on Foreign Assistance to undertake a major review of the U.S. foreign assistance program which was chaired by Reps. Lee Hamilton and Benjamin Gilman. The objective of the task force was to examine what role foreign aid plays in various international issues. Its target was to re-write the Foreign Assistance Act of 1961 through the first comprehensive review of the act by the committee since 1975. The Task Force identified four principle foreign assistance objectives, one of which was environmental sustainability. Many other recommendations which continue to be debated emerged from the Task Force also (House Foreign Affairs Committee 1989).

The next step in the process was a rash of Congressional hearings on the impact of development on the environment. Hearings are held so that members of Congress and of the executive branch, special interest groups, academic experts and concerned citizens can publicly express their opinions on the merits or faults of a particular bill or issue. Witnesses supply a demonstrable and permanent public record of inquiry and declaration of positions on an issue.

At every hearing on foreign assistance, each witness used the buzzword "sustainable development" at least once in their testimony. At this point, it should be noted that the unusually dry, hot summer of 1988 motivated voters to write to their representatives and demand action to counteract the impending

possibility of climate change generated by increased concentrations of carbon dioxide in the atmosphere. Feature cover stories by *Time, Newsweek,* and other publications further influenced Members to respond to what was perceived as a global environmental crisis.

During the most significant hearing, on June 23, 1988, James H. Hansen of NASA's Goddard Institute for Space Studies, made international headlines. Hansen stated before the Senate's Energy Committee that there was a "99% chance that the unusually warm globally average temperature records he and a colleague had constructed for the 1980s could not have occurred by chance, but rather, were the result of the buildup of greenhouse gases" (Hansen 1988). Hansen's statement alerted the world to the imminence of climate change and generated recognition of the need to lessen worldwide dependency on the fossil fuels that increase the buildup of greenhouse causing gases in the atmosphere.

On February 21, 1989, the Foreign Operations, Export Financing, and Related Programs Subcommittee of House Appropriations held a hearing on environmental issues as related to foreign assistance. One witness, Assistant Secretary of State, Frederick M. Bernthal, stated in his testimony, "Global climate change may well become the dominant foreign policy issue of the 21st century" (Bernthal 1989).

At the same hearing, the testimony of Robert H. Williams, senior research scientist at Princeton's Center for Energy and Environmental Studies offered promising energy strategies for the U.S. to cope with global warming at home and to direct aid policy abroad. Williams recommended energy efficiency, the use of natural gas during a transition to a post-fossil fuel era, and modernization of biomass and other renewables as energy source.

THE GLOBAL WARMING INITIATIVE

From 1987 through 1989 I was employed in the office of a member of the U. S. House of Representatives Foreign Operations Subcommittee of Appropriations. The jurisdiction of this subcommittee includes funding for U.S. foreign assistance. As legislative assistant on this Congressman's staff, I was responsible for international environmental issues, particularly those issues that included economic development.

Our office was in discussions on global warming with the many environment and development NGOs that recently have developed new agendas for action and new images and proactive roles within their organizations'

mandates. In the recent past, the role of NGOs, also referred to as PVOs (Private Voluntary Organizations), was to fill the gap left by the government and the private sector in humanitarian advocacy. Today, their proactive roles include representing the grass-roots as lobbyists, both domestically and internationally.

Lobby groups are pressure groups that operate both at the grassroots level to stimulate public debate and influence public opinion and in direct contact with congressional offices. They perform indispensable functions and provide technical information produced by research and experience on their special interest. Lobby groups articulate practical aspects of an issue such as which interests the issue would help and which interests it would hurt, and options and compromises available. However, a groups' power to influence legislation often is based less on its arguments than on the size of its-membership, the amount of financial manpower it can commit to legislative lobbying campaigns and the astuteness and sophistication of the organizations' representatives.

Many observers of Congress rightfully point out that interest groups may, in pursuing their own objectives, lead the Congress into decisions that benefit only a particular pressure group but do not necessarily serve the public as a whole. Recognizing the needs of developing countries, our office assessed the credibility of the environmental and development NGOs that we worked with by their degree of support for their counterparts in developing countries. This was demonstrated by the financial, technical, and information resources they supplied that contributed to building the institutions of fragile indigenous NGOs abroad. In many offices on Capitol Hill, these actions demonstrate credibility of the commitment of NGOs to their special interest (Nagle 1987; Dobson 1989; Third World Network 1990).

In 1983, the Directory of U.S. Non-Profit Organizations in Development Abroad listed over 497 organizations involved in development issues (World Resources Institute nd). Likewise, the growing environmental community today includes a multitude of organizations that have differing agendas to address the environmental problems that are reported daily in newspapers and journals (Grupenhoff 1989; National Wildlife Federation 1990; WorldWIDE 1990). According to Brookes (1990), environmental NGOs are the wealthiest and most powerful, with a $235 million operating budget for the "Big Ten" most established groups. As they move into advocacy and lobbying, environmental NGOs are perceived as a real threat to "Big Oil" and other conflicting special interests that previously were the only well-financed lobbys on the Hill.

However, various perceptions and prejudices often have pitted development and environmental communities against each other. Environmentalists have been perceived as "elitists more concerned with rare birds and virgin landscapes

than with poor people", while environmentalists often view development assistance specialists "in the cloak of their old domestic antagonist, the economic developer" (World Resources Institute nd).

Understanding the relationships between and among these NGOs, during 1988 and 1989 our office initiated informal discussions with them (Edy et al 1978; Chambers 1985). Our agenda was to discover common goals, values, and interests that unite NGOs in their efforts to ensure the survival and health of the natural resource base used to alleviate poverty (Heighton 1978). Our goal was to persuade them to act together in developing a response to the predicted global change that could be implemented in the FAA. Population pressure was recognized as a major factor in all efforts, and represented in the discussions by both environment and development groups.

Out of the discussions emerged a consensus that the need for a new direction in energy policy for foreign assistance was cross cutting and could not be addressed in isolation by either group. Discussions disclosed that since energy is a central requirement for every kind of economic activity, the power sector can be the crucial area for U.S. foreign aid to influence a country's development strategy. Additionally, environmental impacts from supporting non-renewable energy are pervasive, particularly in the release of carbon dioxide into the atmosphere through fossil fuel combustion. Since the supply of fossil fuels is finite, over-use will threaten expanding future generations through poorer prospects for energy independence and greater risks than our own generation. These factors threaten the public health and national security of developing countries, and, on a larger scale, the helath and security of the world. It was agreed that one option for U.S. policy should be to reflect environment and development concerns by dispensing energy aid that is sustainable and environmentally benign. An emphasis would also be placed on promoting energy efficiency.

With the focus of energy efficiency and renewables, our next task was to initiate participation of NGOs in planning the direction of the "Global Warming Initiative". Biomass became the renewable energy of choice, as we decided foreign assistance could be better leveraged in supporting an energy source that required proper management and offered many indirect benefits. This type of development has the advantage of capitalizing on local resources including land, labor, and financing; consequently it creates less dependency on foreign investment (Moran 1987).

In drafting the initiative, we worked with, among others, the Biomass Users Network (BUN), a consortium of fifty or so developing country governments and NGOs with an interest in biomass production. BUN was established

as a network to promote South-South cooperation in increasing production and use of biomass resources in participating areas in Africa, Asia and the Pacific, and Latin America and the Caribbean. The BUN approach is to first assist developing countries in identifying their biomass resources, and then to help them plan and implement development programs. Projects are recipient-led, and users benefit from the increased flow of technical, economic, social, political, institutional and environmental information that influences the shape and scope of development efforts (Biomass Users Network 1988).

The Subcommittee on Foreign Operations of House Appropriations began writing its report and bill language in 1989 and included our "Global Warming Initiative". The report of a committee is a narrative statement that accompanies a bill to describe its purpose and scope and to justify committee actions in reporting the bill. The report stated that the Committee found AID's energy efforts needed expansion. It required AID to commit a $10 million appropriation in FY90 to its Office of Energy for energy efficiency and renewable energy sources. It directed AID's Office of Energy, in cooperation with country missions, to assist countries in developing and implementing energy plans that employ end-use analysis to identify cost effective actions to minimize reliance on fossil fuels. These plans, the report stated, should include an analysis of the effects of alternative energy systems and end-use energy efficiency on levels of greenhouse gas emissions. The report further stated that whenever possible, NGOs and academic institutions should be involved in the preparation of these plans. The Committee also recommended that AID fund innovative technologies such as biomass energy systems–ethanol produced from sugarcane and corn as a substitute for petroleum.

The appropriations process was proceeding, with NGOs successfully lobbying the subcommittee to form coalitions to support our initiative. However, the authorizing committees, Foreign Affairs in the House and Foreign Relations in the Senate, were not proceeding. This was not unanticipated, since formal congressional procedures for reviewing the foreign assistance program have broken down significantly in the past 12 years. It reflects the pattern of the 80s of failure to reach a consensus on priorities for the U.S. foreign assistance program for important U.S. interests in developing countries such as economic growth and poverty alleviation. Global issues such as debt, the environment, drugs, and AIDS have emerged in the last decade (Moran 1991).

The House foreign aid legislation included recommendations by the Task Force, and passed its authorizing bill on June 29, 1989 (H.R. 2655). However, the Senate failed to pass its FY9O authorization (S 1347), and the appropriations bill, rather than authorization legislation, passed as a free-standing foreign aid appropriation (PL 101-167).

In its FY89 report language, the Appropriations Committee wrote that it expected that appropriations above FY89 levels would fund expansion of existing projects which provide assistance and training for the promotion of energy efficiency and renewable energy. The initiative has continued into the Foreign Operations, Export Financing, and Related Programs Act for FY91 (H.R. 5114). As of June 25, 1990, FY91's foreign aid appropriation earmark requires AID to allocate thirty million dollars for a Global Warming Initiative designed to identify "key (developing) countries" that can be expected to contribute significantly to climate change in the near future, and to design energy conservation and forestry programs that would promote stable economic development while reducing greenhouse emissions.

In the FY91 appropriation, the subcommittee expanded the use of energy efficiency and renewables to include the World Bank and other multilateral development banks. Much of the language in the appropriation is designed to maintain pressure on the banks to insure that current environmental policies are implemented and practices improved. The appropriation stresses the need for the World Bank to promote end-use energy efficiency, conservation, and renewable energy techniques. The committee's report also includes language directing AID to set up an energy project preparation facility to provide the banks with possible energy programs that would enable the banks to play a more proactive environmental role.

I close by restating what I said in the introduction of this paper, but which bears repeating and is directly quoted from the appropriations report language:

> The Committee finds...that global warming due to the accumulation of greenhouse gases in the atmosphere is a serious and growing threat to the security and welfare of the United States and the world, and that climate change could be the greatest environmental challenge humanity has ever faced...
>
> The Committee is especially concerned that while industrialized countries...are responsible for most of the humanly induced greenhouse gases that reach the atmosphere, developing account for over 30% of current carbon dioxide (CO_2) emissions through the burning of fossil fuels and the widespread destruction of tropical forests. The Committee also notes that the Third World's share of CO_2 emissions is expected to rise over 50% by the middle of the next century. U.S. economic assistance must focus on energy and forestry activities which promote economic

development while reducing greenhouse gas emissions." (Committee on Appropriations 1989 p. 17)

CONCLUSIONS

Our congressional office was able to pass the "Global Warming Initiative", and as the 102nd Congress opened, reauthorization of the FAA continued to be the subject of extensive discussion and frequent controversy among congressional committees, government agencies, and lobbies with vested interest in the outcome. Perhaps these groups could be well-served in their efforts through an anthropological perspective. Anthropologists recognize that we live in, and indeed nurture, a complex social environment in which there are many views of the cosmos with many value systems to support the differing views. Anthropologists are trained to learn why a certain constituency may respond to a policy as it does, and to craft options to reconcile differing values.

To reinvigorate the debate during the 102nd Congress, common goals and values must be identified, and the constituency for the FAA magnified to support the foundation for collaborative action. The FAA cannot respond to every interest group until it is recognized how issues are interwoven threads in the fabric of an interdependent world. Recently, the international response of the Iraqi invasion of Kuwait has violently brought home the force of energy dependency and its impact on all other socioeconomic sectors in the politically charged international arena.

A strong case must be made that highlights how these issues are interrelated, as well as the connections between U.S. national interests and sustainable development of the Third World. Only then will the act be adopted by U.S. voters as the point of maximum leverage to implement U.S. interest globally.

ACKNOWLEDGEMENTS

The author gratefully acknowledges the assistance of Rep. John Porter (R-IL) and Kathryn Cameron Porter; Thomas E. Lovejoy; Riall Nolan; Gerald M. Britan; and Larry Q. Nowels.

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RESTRUCTURING NATIONAL ECONOMIES: THE CHALLENGE TO DEVELOPMENT ANTHROPOLOGY

PHILIP BOYLE

INTRODUCTION

Many of the less-developed nations of Africa, Latin America, and Asia are currently engaged in significant restructuring of their economies. The majority of these programs are linked to International Monetary Fund and World Bank policy conditionality (economic policy reforms in exchange for quick-disbursing loan tranches), and their success has varied considerably. Nonetheless, there is widespread belief that significant macropolicy reform was not only necessary by the mid-1980s but a matter of some urgency. Moreover, recent events in Poland and the Soviet Union indicate that economic adjustment programs are not limited to the Third World.

The initial step taken to rectify the chronic macroeconomic imbalances characterizing the developing world after the second oil price shock in 1979 was to employ the traditional balance of payments stabilization measures promoted by the IMF. These stressed substantial stand-by loan facilities in exchange for rather draconian attempts to redress the balance in governments' external and internal deficits. Devaluation of the local currency, cuts in governmental expenditures, and restriction of the money supply and credit threw many economies into severe recession. While most restructuring countries continue to run serious current account deficits, stabilization has managed to accomplish its major objective of reversing an accelerating slide into greatly reduced or negative economic growth.

While some of the causes underlying the economic crisis of the developing world in the early 1980s were external, such as falling commodity prices, the oil price shocks, and drought, most were perceived by the multilateral financial institutions to result from an improper mix of internal economic policies. These policies, however well conceived in earlier years, had become overly protectionist and incapable of adapting to a rapidly changing international economic environment. Artificially sheltered from international competition, country elites, largely identified with the public sector, found themselves unable to generate the level of economic growth necessary to provide for the rapidly growing consumption needs of their populations.

In order to address the longer-term policy reform needs of developing countries, which would eventually generate the renewed growth necessary to end trade imbalances and provide for internal social development, the World Bank designed special lending facilities aimed at re-establishing macroeconomic balance and sectoral growth in many developing countries. These structural adjustment programs normally follow or occur in tandem with IMF stand-by stabilization facilities.

At first perceived as an important, if short-lived, dose of structural transformation, the use of policy reform conditionality in foreign assistance, has begun to have several effects.

(1) Many developing countries have undergone an erosion of their sovereignty with respect to the industrialized economies, and the question of potential indefinite dependence of their governments on external assistance has been raised.

(2) Many economists and other developmentalists of various disciplines have begun to gain experience in designing policy mixes for national economies and have begun to learn from the results of their experience.

(3) Many social scientists, including economists, have begun to question the assumptions and models in use by the designers of policy conditionality–particularly their lack of understanding of the local political and socio-cultural realities conditioning the population impacts of national level policies.

(4) Largely in response to the concern in various quarters (private voluntary organizations and UNICEF, for example) over this ignorance of social impacts and the evolution of the welfare of the poor, there has been a rise in attempts to trace the linkages

between macropolicies and welfare impacts (see Cornea et al., 1967). Linked to the concern for social welfare is the often neglected need to predict the likely productive responses of various population groups.

Implicit in estimating differential impacts on various producers and consumers is knowing how macropolicies affect various levels of the economy and how these levels, in turn, function and interact in various socio-political contexts. The application of similar policy reform packages to the rather different countries of Africa, Latin America, the Near East, and Asia is neither efficient nor even rational. Yet this has been the fundamental approach of the first generation of adjustment programs (1980s).

THE WORLD BANK SDA PROJECT

In order to deal with the need to design appropriate policy recommendations for governments desiring to relaunch or accelerate economic growth, while maintaining or enhancing social welfare and maximizing private-sector productive response, the World Bank in 1987 created a special "Social Dimensions of Adjustment" (SDA) project unit within its Africa programs department. Research results in various African countries should yield valuable insights not only into a variety of specifically African cases, but into the fundamental linkages between various levels of national economies and the overall social and political structures in which they are embedded (see World Bank, 1990a and 1990b).

SDA research activities are designed to explore and document two types of linkages: (1) linkages between macroeconomic structures--particularly those affected by external shocks and by stabilization and adjustment measures--and the intermediary structures of markets, other resource-allocation mechanisms, and economic and social infrastructure; and (2) linkages between the intermediary structures of what the SDA unit terms the "mesoeconomy" and the microeconomic world of enterprises and households.

Household economic analysis is doubly important. In developing countries the household is, expectably, the primary unit of both consumption and production, particularly in rural areas. However, the rapid growth of the "informal" private sector in the burgeoning urban areas of developing countries has greatly accentuated the enterprise functions of households.

The SDA policy agenda focuses on five objectives to promote overall country economic growth:

- Investing in household human capital
- Increasing household productive assets
- Raising household return on assets
- Promoting wage employment
- Empowering the poor by expanding their participation in community-level government decision-making

The Social Dimensions project, in embracing a "micro-up" perspective to economic development, faces the need to understand the human complexities of the household "black box" of neoclassical economic theory. Not only can the basic behavioral determinants of economic activities be examined at their source, but the key concepts of social welfare can be measured for various types of family members: children, women, and men.

The use of social and micro-economic indicators derived from data generated in annual or periodic household surveys will be necessary to produce the information required to build an understanding of micro-level economic characteristics, response, constraints, and progress. The SDA project has designed two such surveys: an Intensive Household Survey (IHS) and a shorter, more extensive Priority Information Collection Survey (PIC). The latter will be used to monitor change and provide quick feedback to policy makers, the former to search for explanations and functional linkages. These surveys merit a good deal of critical scrutiny by development practitioners, particularly anthropologists.

Understanding socio-economic dynamics at the household level, however, will require more than the establishment of socio-economic survey indicators to measure change over time. Only by understanding how households make allocative choices between scarce resources as producing and consuming groups, in addition to serving or providing a variety of welfare needs, such as nutrition, health maintenance, and education, can policy makers fine-tune sub-sectoral, or "meso", policies to enhance productive response and ameliorate general welfare. This should become a natural niche for development anthropologists, but they will have to struggle for attention from developmentalists who focus conceptually well above the level of human economic behavior.

HOUSEHOLD DYNAMICS

Recent research on household dynamics and decision-making has begun to reveal the complex nature of intra-household social relationships, particularly those between men and women. Far from united in response to external opportunities and constraints, the household has been characterized as "an uneasy aggregate of individual survival strategies (Schmink, 1984)." Nonetheless, there are some fairly constant themes in household organization, some of which have remained obscure until recently. A striking example of this is women's household economic and maintenance roles, the latter usually obscuring the former in official statistics.

Women's household functions, research has shown, are dualistic; that is, women have clear-cut economic roles in most societies, while, at the same time, they are almost totally responsible for household provisioning and maintenance activities. Purchasing food, securing or collecting fuel, and water supply are women's responsibility. These dualistic roles systematically lead to difficulties of counting women's overall productive contributions to national economies (see Dixon-Mueller and R. Anker, 1988).

Women must also assure the crucial nurturing and socialization of the next generation. This social reproductive function involves caring for the nutritional level and health needs of children and overseeing their use of educational opportunities. Women, therefore, are closely linked to societal use of public or private social services, which largely determines the present and future quality of household human capital (see Boyle, 1988).

MONITORING THE HOUSEHOLD EFFECTS OF POLICY REFORM

The household-level effects of policy reform should be carefully monitored through periodic surveys. These surveys should be designed to collect specific data on particular populations of interest, such as urban or rural poor men and women. These groups of policy interest should be carefully identified and defined, which should be possible in most countries from existing data sources, such as household consumption surveys, or simply from physical location. According to the SDA project, approximately 5 to 7 relatively large groups, each representing about 10 percent of the population, should be studied. It is important to invest substantial time in the identification of key groups, prior to the listing and sampling procedures. In order to do so, survey designers must have considerable knowledge of the socioeconomic composition and characteristics of the national population.

The complexity of a permanent household survey of the type advocated by the SDA project is not required of more focused, policy-linked instruments, which may be administered on a before-after basis only. Moreover, once a national survey has been conducted, sub-groups of interest can be re-surveyed in an "ad hoc" manner, using simpler survey questionnaires.

Fundamentally, two types of information need to be gathered on households in appraising policy impacts: characteristics and magnitude of productive capacity and production response; and state of socio-economic welfare. In the first case, the linkage between economic policies and household production activities must be made, if causes of aggregate supply response are to be analyzed for the purpose of policy correction or fine-tuning. This requires learning directly from the short-term human response to policy reforms and should allow policy advisors to calculate more accurately the supply response of different groups.

The importance of analyzing household welfare effects lies well beyond avoiding unintended harm to population groups, such as the very poor or women and children. On the contrary, it is necessary to understand the differential impacts of various policy changes on family incomes, nutrition, and access to health and education services, in order to promote policies which tend to safeguard such benefits, or which can be accompanied by social policies tailored to such an end. This will require fairly detailed analysis of intra-household decision-making patterns, income-generating activities, control over income, expenditures and savings, and access to and use of social services.

NON-PROJECT ASSISTANCE: CONCERNS AMONG A.I.D. PROFESSIONALS

The rapidly growing importance of policy-based sector assistance in A.I.D. field mission portfolios has begun to generate questions by field officers about the information needs and analysis required for adequate program design and monitoring. This is particularly evident in field reaction to the sizeable non-project portion of the new Development Fund for Africa (DFA) (up to 30 percent, based on country performance).

While sector-based assistance is not new (see paper by Vondal in this issue), the significant shift to policy conditionality in economic support funds (ESF) and in ordinary development assistance, as in the DFA, (see Hess this issue) has created a new arena within which field officers must approach the problem of promoting country development. Concerns expressed recently among A.I.D. field officers charged with providing program design assistance to a score of African countries during the 1990s not only eloquently evoke numerous important issues, but are probably typical of field mission concerns worldwide.

Concerns and recommendations related to the significant shift to non-project assistance in the Development Fund for Africa, as revealed in cable exchanges and memoranda, have centered on the following:

- Policy-based sector assistance should be carefully distinguished from resource-transfer sector assistance.
- "Clear and rigorous analysis" should be made of the benefits and costs of policy reform, while foreign exchange and local currency generated by the program should be channeled to alleviating those costs.
- Missions should undertake "detailed and quantitative" sector assessments prior to initiating policy-based assistance efforts.
- Conditionality should be removed from grant agreements, made more supple, and disbursements linked to alleviating the costs of reform, rather than to policy change per se.
- Missions should use "market-clearing" mechanisms for disbursements whenever possible.
- The relationship between sectoral reform and the macroeconomic policy context must be grasped by field missions, in order to improve the design of sector based efforts and to make an effective case to host governments.
- Policy-based assistance is but one part of a larger reform process and such assistance should come only toward the end of the process, rather than as an inducement to begin.

THE CALL FOR INFORMATION

The overriding need expressed by concerned A.I.D officers is to quantify the benefits of policy reform, while at the same time identifying and even quantifying the financial, political, and social costs of reform. This implies a "formidable requirement" for information about the sector and its functional relationship to the rest of the economy. Unfortunately, missions are engaged in program design without an adequate information base, so that at the beginning of document preparation (Program Assistance Initial Proposal), proposed designs are often still based on little more than "supposition and folklore."

Priority information needs often indicated by A.I.D. officers are:

- The patterns of production and consumption of various population groups.
- The existence of gender-linked differences in income sources or in spending responsibilities.
- The nature of the domestic production technologies and their relationship to other alternative technologies, both within the assisted country or adoptable from abroad.
- The efficiency and effectiveness of the institutions involved in implementing sectoral reforms.

THE SECTOR ASSESSMENT

A major problem in designing policy-based assistance has been the lack of an adequate sector assessment. The objective of such an assessment should be to provide quantitative and qualitative background data and analysis in order to understand the nature of development constraints and opportunities in a particular sector. The sector assessment should lead to a thorough understanding of the identity of the participants, market relationships among them, capabilities and objectives of the institutions dealing with the sector, and the nature and impact of public policy.

The users of this information will be, on the one hand, A.I.D. field officers, who will be able to quantify the benefits of alternative policy reforms, identify beneficiaries (winners) and losers, and perhaps suggest methods to compensate the losers. On the other hand, host governmental officials engaged in policy dialogue and concerned with the political risks of reform can consult fresh data and analysis prior to accepting a reform program.

The sector assessment should consist ideally of the following sections, developed well in advance of initiating program assistance.

(1) The first of these assessment tools is the preliminary reconnaissance. This would be conducted by a "high-level team" charged with surveying already existing data sources, defining issues, and designing scopes of work for further data collection and specialized studies.

(2) A household income and expenditure survey is a necessity to provide the government and A.I.D. field mission information on financial flows between households and between households and firms. Often information about intra-family financial arrangements are important as well. If such data are not already available, a survey will have to be conducted as part of the sector assessment process. However, such a survey should focus on essential information. Both the complexity of the survey instrument and the sample size must be limited to avoid becoming an administrative burden.

(3) A mathematical model of the sector and its relationship to the national economy is deemed essential by many within A.I.D., if the quantitative implications of alternative reform packages are to be grasped by the host government and the A.I.D. mission. However, such a model should be no more complicated than necessary to produce useful and reasonably accurate results for policy makers. While not sacrificing intellectual rigor, complexity must not exceed what is intuitively sufficient for policy makers.

(4) Beyond the model, the following types of specialized and subsectoral studies are usually proposed:

- institutions and organizations
- financial markets
- labor markets
- international trade regulations
- political analysis and assessment

(5) Finally, a synthesis of specialized studies and recommendations is useful for presentation to the A.I.D. field mission and to the host government. The mathematical model and household survey data should be used to review various policy options with the government, including an explicit identification and quantification of winners and losers from various programmatic alternatives.

The result of this long process of assessment (up to one year) from reconnaissance to synthesis and recommendations should be a joint A.I.D.-host government plan of action involving both policy reform initiatives and traditional-style projects. Only by gathering sufficient information in advance can sector adjustment strategies be properly tailored to local country conditions.

THE CHALLENGE TO DEVELOPMENT ANTHROPOLOGY

Sectoral, community, and household analyses planned in Africa under the SDA project or proposed for A.I.D. in non-project assistance, beg the participation of anthropologists. However, micro-level analysis of the type familiar to anthropologists is likely to remain unpopular within the field of international development, particularly among economists and administrators. The reasons for this have far more to do with differences in how economists and anthropologists view the world than with cost and time constraints in devising and implementing household-level surveys.

The current emphasis on broad economic policy solutions reveals the deep frustration of many development practitioners, primarily macroeconomists and administrators, faced with the seemingly intractable problems of Third World development. While there is certainly truth to the argument that structural adjustment is necessary to renewed economic growth, developmentalists must not be led down the garden path of oversimplistic panaceas. Few seriously oppose renewed economic growth, assuming it is environmentally sustainable. However, the link between economic growth and broad-based poverty reduction is another problem altogether.

Development anthropologists have won a place for themselves among the "harder" technical specialists through tireless repetition of the litany that knowing who the people are in projects matters. However, the "soft" social scientist is continually on the defensive; the burden of proof is on him or her to show why and how people matter in project success or failure. The assumption by other specialists is that human beings are very much a constant, that a technical solution will be seized upon by populations in much the same way anywhere. Such technical solutions are not limited to new seed varieties, irrigation systems, or capital equipment, but include economic policies, particularly price policies. The assumption of universal human rationality guides economic policy makers, much as it drives the introduction of technology in development projects.

What is curious in all this is that examples abound in the development literature of project failure resulting from inadequate attention to the fit between technical solutions and the sociocultural context of the recipient population. A consistent error, to take one example, is ignoring the economic roles of women (see Blumberg, 1989). One can understand that political realities might be ignored; unfortunately, such myopia extends to the socioeconomic realities of the populations concerned.

In spite of substantial and increasing evidence that many development projects have failed from inadequate appraisal of the social dimension of human

economic response, the quality of pre-project social soundness analysis seems seriously on the decline even in A.I.D., where it probably developed further than in other major bilateral agencies. Even at its apogee in the late 1970s in A.I.D., social appraisal of projects rarely managed to focus on the key linkages between existing human behavior and proposed technical solutions. The analyses, thus, often appeared irrelevant to the technical specialists designing the core of the project intervention. The future effective use of social analysis in U.S.A.I.D. is uncertain (see Gow et al, 1989).

Although some of the blame for the failure of social analysis must be laid on those practicing the art, much of the prejudice against it exists because it does not fit into the technicist models of those dominating development work. Today, more than ever, development is seen by the major donor agencies as primarily a function of economic growth, a belief partly born of the perceived failure of myriad small-scale development projects since the 1960s. In consequence, social analysis, if it is to survive in program appraisal, will need to insert itself more effectively into the logic of economics.

The requirement that social analysis fit into the development models of other fields, particularly economics, is unequivocally a reality and a necessity. Professional anthropologists will need to perfect arguments and supply case examples in support of weaknesses of other paradigms, rather than simply vaunting the merits of their own intellectual history.

PARADIGM AND MEASUREMENT PROBLEMS

The major problem for social analysis and its practitioners is that inserting socioeconomic issues--by their nature inherently microeconomic--into macroeconomic analysis is conceptually very difficult. Macroeconomics, the driving force behind structural adjustment, even when focused on sectoral problems, remains analytically well above the level of human behavior.

Macroeconomics is, in fact, not concerned with the situational determinants of human economic behavior, but rather with the mechanistic, interrelationships between national-level variables. It therefore becomes difficult-if not irrelevant--for economists to reduce their theories to the level of differential human behavior, much as it is for sociologists to include psychological determinants in their analyses. While it is not conceptually impossible to do so, explaining national-level economic outcomes in terms of collective behavioral response requires joining levels of analysis whose linkages remain virtually unexplored.

Moreover, the macro and microeconomic level each has its own battery of measurements. On the one hand, there are the national accounts and other regularly collected national data on employment, health, and education. In some countries, data may also be collected periodically on household expenditures and consumption, employment and unemployment, and on other variables of interest.

Most economic anthropological research, on the other hand, focuses on individuals in social structures, in order to construct the form and dynamics of the typical "community", itself a proxy for the universe of such groups. In economic anthropology the unit of interest is often the household production-consumption unit, and investigation usually includes intra-household dynamics.

Generalization of microeconomic research findings beyond the regional economy is, unfortunately, difficult. Thus, the applicability of anthropological research to the interpretation of national-level statistics is often challenged because of its particularity. While the human dimension of economic growth can certainly be explored through this means, such findings are considered largely irrelevant by national-level planners.

The battle lines are thus drawn between developmentalists interested in engineering economic growth through national policy measures and those who maintain that human motivations, incentives, and constraints must be understood if policy reform is to attain its growth objectives. Beyond this are the very real concerns of the equitable distribution of growth and its environmental sustainability. All imply attention to understanding how human beings relate to governmental institutions and policies and how traditional economic systems can be targeted for broad-based production response.

CONCLUSION

Ultimately, the challenge to anthropologists from the World Bank Social Dimensions of Adjustment project and similar efforts is clear: we had better do more than stand by idly while macroeconomists and statisticians reinvent social institutions. There are, however, no easy prescriptions; development is more often understood to be economic growth than an increase in human welfare, although the former is presumed to lead somehow to the latter.

By penetrating the dominant models of economic development in order to exploit weaknesses only micro-level socioeconomic and sociopolitical analysis can resolve, anthropologists and other social scientists can make a difference. The experience of the SDA project in the World Bank, involving household and

community surveys and mesoeconomic analysis, should be carefully studied and, where possible, influenced. Questionnaire design should certainly reflect traditional anthropological insights into the social organization of production and consumption activities.

The SDA project is very much a maverick in the general trend toward macro-level policy solutions to economic growth cum development. The World Bank is, in fact, building a considerable data machine to address increasing concern over the lack of human progress in most areas of Sub-Saharan Africa. In the years ahead--at least in Africa--there should be no dearth of household data to ponder. It remains to be seen how development anthropologists, rare within the Bank, can exploit this opportunity to respond to the needs of a wide variety of donor agencies.

The growing need within A.I.D. to account for the population effects of non-project assistance, particularly in Africa, points to the necessity for widespread and frequent dissemination of lessons learned by the World Bank and A.I.D. field missions as they grapple with the need for more information. Tracing the linkages between national policies and human behavioral response through the mesoeconomic world of organizations, institutions, legal codes, community structures, and sociocultural convention is very much an anthropological endeavor. It remains to be seen how well it can be done and the degree to which its findings can be assimilated by economists and development planners.

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SOCIAL AND INSTITUTIONAL ANALYSIS IN THE AFRICAN ECONOMIC POLICY REFORM PROGRAM

PATRICIA J. VONDAL

INTRODUCTION

Programs for promoting and supporting macroeconomic and sectoral policy reform have become a prominent element in the U.S. Agency for International Development (A.I.D.) strategy for fostering sustained, broadbased economic growth in developing countries worldwide. These reform programs have major social, institutional, and political implications. Yet, to date, the frequency and quality of analysis of these issues in the design stage of such programs has been very low. This paper highlights some of the major analytical gaps which need attention and assessment by the anthropological and social science community, as the trend toward U.S. foreign assistance for economic policy reform continues.

The promotion of policy reform, either by governments themselves, or by the International Monetary Fund (IMF) and the World Bank, is now an international reality, much as is international trade. Policy reform programs, and international trade networks both affect the local populations that have always been the concern of the anthropological community. The effects of deliberate macrolevel policy shifts can dramatically yet differentially affect scores of people on a level far broader than is typically found under standard development projects with which development anthropologists are more familiar. Accordingly, anthropologists must acknowledge these programs and their implications.

Anthropologists and social scientists in related fields must begin contributing to the design of policy reforms to help ensure that the most negative effects on people are lessened, and that attempts to stimulate national economic growth through reform encourage growth with equity.

This paper is based on a review of social and institutional analysis contained in design documents for A.I.D.'s African Economic Policy Reform Programs from 1985 through 1988. These findings are followed by a discussion of some of the recommended areas of social, institutional, and political analysis that were devised by social scientists within A.I.D. as guidelines for the kinds of issues which must be addressed prior to working with governments to institute major economic reforms. Although the focus is on A.I.D.-supported programs in Sub-Saharan Africa, similar kinds of economic reforms have also been promoted in Latin America and Asia since the early 1980's.

THE GENESIS OF THE AFRICAN ECONOMIC POLICY REFORM PROGRAM

The African Economic Policy Reform Program, announced by former President Reagan in 1984, is one of the centerpieces of A.I.D.'s assistance effort to help African governments restructure their economies. The goal is to achieve broad-based and sustainable economic growth through policy reforms featuring such measures as privatization of government supported services, increasing the role of the private sector in the economy, and liberalization of the economy. Cash grants are provided to governments for balance of payments support, but the release of these funds is dependent on the fulfillment of certain conditions. These entail implementation of a series of economic policy reform measures, typically in the financial and agricultural sectors.

The rationale for policy-based assistance to Africa is the assumption that one of the primary underlying causes of the severe economic problems experienced in Sub-Saharan Africa has been the inefficient policies followed in many African states. Development projects are typically unable to address the larger structural issues which underlie economic problems, and thus their objectives are not easily attained. The countries in which these policy reform programs have been actively promoted are those in which a commitment to reform has already been demonstrated, and these A.I.D.-funded programs are most often in support of structural adjustment programs sponsored by the World Bank, IMF, and the nation itself.

There has been a growing concern regarding the impact of economic stabilization and policy reform programs sponsored by the World Bank, IMF, A.I.D., and other banks and donors which have in many instances resulted in the deterioration of health and economic conditions in some of the poorest groups in countries undergoing reforms, and in particular, poor women and children.[1] Other aspects of these programs have created severe pressures on governments as people in urban capitals protest or riot against the cessation of salary raises or hiring in public sector jobs, the reduction or elimination of subsidies on basic goods, or the reform of fiscal policies. These impacts have jeopardized the movement of reform implementations and have resulted in governments moving away from agreements signed with banks and donors.

This concern about the social and political effects of such programs is evinced in efforts to implement measures to lessen the adverse "short term" impact of reforms on people until the positive effects of overall economic growth on all population groups can be achieved. The latter is a major assumption of all policy reform programs.[2] More important for A.I.D. is the Congressional legislation concerning assistance to Africa. It includes language that directs A.I.D. to broaden the policy dialogue to include discussions of policies that safeguard human welfare, to use assistance to meet more directly the needs of the poor majority in Africa, to make development assistance available to African women, and to insure that such support results in a process of long-term development that is equitable, participatory, and environmentally sustainable.

In light of these concerns, it is important to anticipate impacts on human beings, to understand the social and political context of policy reform in each country, and to fully analyze the capabilities and politics of the institutions that will be implementing measures under these reforms. To the degree that impacts can be anticipated, specific measures should be taken to prevent negative effects.

REVIEW OF THE DESIGN OF A.I.D.'S AFRICAN ECONOMIC POLICY REFORM PROGRAMS

In 1987 I was asked by the social science advisor of A.I.D.'s Africa Bureau to assess the frequency, quality, and utility of social and institutional analysis in A.I.D's policy reform assistance to Sub-Saharan African as revealed in the planning and design documents for the 14 country reform programs which existed at that time (Vondal, 1988).[3] There was a concern that only macroeconomic analytical work supported the design of these programs and that significant social issues were not being fully addressed. Another rationale for this assessment was the belief of Agency social scientists that attention to social and institutional factors is often a major key to the success of development assistance. At issue was

the extent to which the A.I.D.- supported policy reform programs for Sub-Saharan Africa had incorporated an analysis of related social and institutional issues.

Accordingly, major questions underlying the program review were: how can social and institutional analysis at the design stage prevent negative effects from occurring? and, how can such analysis enhance the probability that some of the major stated goals of the African Economic Policy Reform Program will be achieved? In addition to the achievement of broad-based economic growth, some of the goals of the overall program are: 1) to lessen the political difficulties of implementing major economic reforms and debt repayment; 2) to raise the incomes of the poor; and 3) to ensure more equitable access to the means of achieving growth (U.S.A.I.D., 1987).

Before reviewing the program designs for the African Economic Policy Reform Program, I began by reading recent A.I.D. documents on the preliminary assessments of results of economic reform programs implemented in several Sub-Saharan Africa countries along with a number of other documents reporting on World Bank and IMF structural adjustment program experiences. These helped to identify some of the key social, institutional, and political issues.[4] While none of these studies focused on the specific economic policy reform programs that I reviewed for A.I.D.'s Africa Bureau, their importance and use in this study was in their utility for beginning to frame criteria for social and institutional analysis in economic policy reform assistance.

I constructed categories of issues as a basis for identifying and examining the quality of social, political, and institutional analysis in the design documents for economic policy reform programs in 14 Sub-Saharan African countries. These categories included: 1) issues related to an overall understanding of the populations most likely to be effected by the reform program; 2) disaggregation of social and economic impacts from specific elements of the reform program on population subsectors such as the poor, women, and children; 3) political issues such as the likelihood of support for the reform program from key social, political, and economic groups within the country; 4) institutional issues such as the ability of the government to implement the economic reforms; 5) lessons from similar policy reform programs implemented elsewhere; and 6) social, institutional, and political data collection requirements for monitoring and evaluation throughout the life of the program.

A rating system was then constructed for the review of social and institutional analysis contained in the design of these policy reform programs. I designed the ratings to assess the **quality** and **usefulness** of analysis under each issue identified. Because some of the documents reviewed lacked a section or

annex of social and/or institutional analysis findings, I reviewed entire documents in terms of these criteria and rated the social, institutional and political analysis within that document. I identified a good design as one that provided a full analysis of a particular issue and its implications for the program, and recommendations for addressing the issue to increase the effectiveness of the program.

I assigned numerical ratings to programs for each category of issue; 0 = no mention of issue; 2 = intermediate level of analysis of issue and its implications for the program; and 3 = full analysis of the issue and some identified means of addressing it (i.e., providing alternatives or recommendations to mitigate potential negative impacts from the policy reforms on specific population groups).

Using the framework and rating system described above, the subsequent assessment clearly demonstrated a deficiency in the frequency and quality of social and institutional analysis contained in the design documents of the African Economic Policy Reform Programs. The major assumptions underpinning all these programs are based on macroeconomic theory, particularly that set of assumptions that underlies the theory of "the magic of the marketplace." Very rarely were these assumptions about macroeconomic phenomena related to the specifics of local level or even regional level social and economic conditions of the countries in question. The following sections highlight issues which require immediate attention and assessment based on the more striking analytical gaps uncovered by this study.

ANALYTICAL NEEDS FOR LIBERALIZATION REFORMS

There is a need for analysis and assessment of the impact of programs featuring liberalization reforms in which government regulation of certain aspects of the economy is reduced or eliminated. Such reforms are assumed to result in beneficial economic growth. For example, in the African Economic Policy Reform Programs, liberalization reforms are often designed for the agricultural sector. Formerly government-determined farm-gate prices for basic agricultural commodities are opened up to market demand with the assumption that prices will increase, and thereby create incentives for rural farmers to produce more goods. Such programs assume that the benefits of these reforms will favor the entire rural, agriculturally-based sector, and redress the existing bias toward urban consumers. But frequently ignored are the many circumstances in which rural producers are also purchasers and consumers of basic grains.[5] It is clear that higher prices hurt the urban poor and middle class. What we also need to ask is the effect of higher prices on the purchasing and consumption ability of

farmers. Policy designers need to understand the social and economic characteristics of specific agricultural societies before designing reforms meant to stimulate greater domestic production and greater economic well-being of the rural populace.

Other reforms have required governments in Sub-Saharan Africa to institute fully market-determined foreign exchange rates and to remove taxes on agricultural exports to eliminate their dampening effects on domestic agricultural production for export. A growing number of studies have demonstrated that exchange-rate and price reforms are significant, but not sufficient means for increasing agricultural exports and farmer incomes (Diakosavvas and Kirkpatrick, 1990). Evidence shows that farmer responsiveness to improved prices is based on factors such as adequate rural transportation infrastructure, reliable delivery systems for required agricultural inputs, and credit services. Yet the IMF and the World Bank, through their structural adjustment loans, have required these same governments to reduce government development expenditures to lower overall budget deficits. Many of these cuts have halted investments in the agricultural sector, particularly rural infrastructure and services to farmers (Mosley and Smith 1989). In many African countries, such as Zambia, rural transportation and other services remain poorly developed and farmers are unable to respond to price increases for agricultural products (see Warren, 1986 and Weber et al., 1988). Hence, analysis for macroeconomic reforms designed to increase domestic production of agricultural exports for the benefit of the national economy and, farmer income, must be extended to include a full analysis of farmer constraints to production in rural regions.

ANALYTICAL NEEDS FOR PRIVATIZATION REFORMS

There is a need for analysis and assessment of privatization reforms in which the private sector is expected to take over important economic activities and services. The private sector has become a huge black box in need of examination. Major questions arise such as:

1. What individuals or organizations exist in the economy to take over economic, social, and health services formerly provided by government agencies and parastatals? Can banks and donor agencies promoting privatization reforms assume that a "private sector" will spring up over night to take over critical educational and health services, and to participate as full actors in the economy? This is particularly important in those countries where government distrust of the private sector actors has dominated the economic climate for years. Will the private sector

actors be willing to immediately enter the arena of the formal economy, or will distrust of government intentions and fear of backlash create a barrier to participation? Given these considerations, what kinds of impacts will privatization have on the former recipients of government-provided services?

2. Where private sector services do exist, what is their capability for providing these services - can we automatically assume higher quality and more economical and efficient service delivery than that provided by the government?

3. Is there a guarantee that service provision by private local organizations and actors will insure equitable access to credit, services, and other goods? We must also examine whether private sector monopolies will spring up to take the place of public sector monopolies. Who will be able to participate in a new, "open" economy?

An assessment of Senegal's New Agricultural Policy provides an illustration of the need to examine these questions. Under this policy, privatization of credit for seeds and fertilizer was instituted as part of the overall reform program to increase rural production and rural incomes (see Ross et al., 1987). Village agricultural cooperatives gained an expanded role in agricultural credit delivery as these services were withdrawn from Senegal's agricultural parastatal agencies. The assumption was that the village cooperatives would provide a more efficient and effective means of service delivery to farmers as compared to that delivered by the agricultural parastatals. However, a study of the impacts of these agricultural sector reforms found that the cooperatives were dominated by village administration council members, and although women play a large role in Senegalese agricultural production, the cooperatives had no female members. Men with high socioeconomic and political status within the community received disproportionate shares of peanut seed credit in both the 1985-86 and 1986-87 planting years. The same persons received seed credit both years although there was an 82% increase in the volume of credit.

One of the conclusions of the study is that women receive little support for agricultural production from the New Agricultural Policy, just as they were not served by the previous parastatal distribution of inputs. Thus, the level of women's agricultural production has changed very little and their income has probably been negatively affected relative to men's. These findings provide a cogent example of the necessity for careful assessment of private sector alternatives, particularly with regard to achieving the objectives of raising rural incomes and growth with equity. Impact assessments of privatization reforms on

population groups need to disaggregate data to examine the differential impact on men and women.

THE INSTITUTIONAL AND POLITICAL CONTEXT OF ECONOMIC POLICY REFORM

A third area of inquiry entails the analysis and assessment of both governmental capability and political willingness to implement major policy reform programs. There is a need to examine the in-country capability for policy analysis, design, and implementation, as well as management, administration, and evaluation of policy reform programs. Many studies have shown that government and public support for implementing macroeconomic reforms is greatly reduced when the rationale for and implications of undertaking these reforms are not well understood (Grindle and Thomas, 1988). Yet donors often expect governments to implement complex programs without assessing present capability and have not worked in concert with governments to actually devise realistic reform programs which they could credibly administer. Ultimately at issue is the capability and willingness of African institutions, specifically their government ministries, research institutes, and universities, to analyze economic and social problems arising from existing government-level policies, and to revise and implement their own policy reform programs without relying on international donors and lenders.

Government fear of political unrest and social reaction constitutes the primary reason for delays in the implementation of policy reform initiatives (ibid, and see H.I.I.D. 1990). For example, if a reform will result in obvious changes which could affect a broad spectrum of the public, key activist groups within the country are likely to be highly vocal about potential negative effects, and accordingly, the government is less willing to implement reform agendas in their entirety. Conversely, reforms which entail less dramatic effects on the public may threaten the position of individuals located in the political bureaucracy. This likelihood will also undermine willingness to implement new procedures and policies required by the reform program. Despite the significant effect of the political environment on the implementation of policy reforms, the design of the majority of the African Economic Policy Reform programs reviewed evinced marginal understanding of the political and instititutional contexts in which these programs will have to be implemented, and did not seriously examine the political risks to current regimes. It is clear that an analysis of political and institutional issues is imperative to the design and conduct of future major economic reform programs.

THE DIFFERENTIAL IMPACTS OF ECONOMIC REFORM ON PEOPLE

There is a need to analyze potential impacts of all elements of economic policy reform programs on all relevant segments of the population by location (rural vs. urban), socio-economic status, employment sector, and by gender and age group. In reviewing program design documents I noticed several tendencies which did not take into account these important socioeconomic considerations.

- Use of aggregate population data for projecting impacts.
- A focus on the hoped for long-term impacts on populations at the expense of examining likely short-term impacts.
- A focus on positive rather than negative impacts.

THE ESTABLISHMENT OF SOCIAL AND INSTITUTIONAL GUIDELINES FOR A.I.D. SECTORAL DEVELOPMENT ASSISTANCE AND ECONOMIC POLICY REFORM PROGRAMS

One contributing factor underlying the limited analysis of these issues discussed above, has been the lack of specific guidance for analyzing social, institutional, and political issues in the design of policy reform programs. The review included an examination of the usefulness and applicability of existing project social soundness analysis guidelines to A.I.D.-sponsored economic policy reform programs. These project guidelines lack coverage of several important features which are germane to policy reform programs. They lack guidance for the analysis of social, political, and institutional issues related to privatization and liberalization reforms which are central to many policy reform programs. The existing social soundness analysis guidelines do not include directions for conducting institutional analysis of large public sector entities, such as ministries, or parastatals. Yet it is these entities that are normally charged with program implementation, monitoring, analysis, and evaluation or they are targets of policy reform themselves. Also lacking is guidance on the level of specificity needed for the assessment of social, political, and institutional issues to ensure good design in support of the objectives of economic policy reform programs.

This lacuna in non-economic analytical criteria for the design phase of economic policy reform programs contributed to an increasing call within the social science community at A.I.D. for establishing social and institutional analysis guidelines. In 1988 a set of proposed guidelines was drafted which focused primarily on required analysis for economic policy reform programs (U.S.A.I.D., 1988a, 1988b). Some of the features of these guidelines are reiterated in an

important new proposal for social analysis requirements for third world development in the 1990's contained in a report by Gow et al. (1989). Both sets of guidelines have relevance to economic policy reform programs world-wide - and not just to Sub-Saharan Africa, and for donor institutions other than A.I.D. While the full details of these proposals cannot be given in the space of this paper, the following will provide an idea of the direction this required analysis would take as indicated by the draft A. I.D. guidelines.

Understanding the Target Population. Much of policy reform assistance is designed to address features of the existing policies that constrain the effective and efficient functioning of a country's economy. Designing a program that effectively addresses constraints to productivity necessitates an understanding of how these constraints currently affect productive behavior of the involved population group(s), and the characteristics, e.g. socio-economic status and gender, of the people who make up these groups. Policy reform programs may not specify or refer to a particular subset of the population that will necessarily be affected by the program, and may instead, for example, articulate more general goals such as increasing the productivity of the agricultural export sector as a means of increasing the nation's supply of foreign exchange.

A typical policy reform program design would discuss the need to liberalize the prices of agricultural goods in order to stimulate increased production. Although specific population groups ordinarily are not targeted, the economic behavior of key groups in the general population is supposed to change in response to the changes effected by the proposed program. The analyst has the task then of identifying which groups are engaged in the production of agricultural exports. The next step is the identification of significant features of the farming system and social organization of production which are necessary to know in terms of the proposed reform program. These could include such characteristics as land ownership patterns; age and sex composition of the actual farming population; differentiation among producers by socio-economic status, production strategies, available agricultural technology, producers' marketing strategies, and other sources of household income,

The objective of this analysis should be to identify and analyze the major constraints affecting productivity in the sector, in this example the agricultural sector, in addition to the more commonly targeted problem of low farm-gate prices received for goods. These constraints may include labor constraints, poor credit availability for seeds, fertilizer, or equipment, poor farm-to-market roads, and competing economic opportunities. The goals of this analysis are to identify and prioritize from a sociocultural perspective, necessary actions to promote productivity. This may include, but not be limited to, liberalizing prices of

agricultural goods, improving farm-to-market roads; and more precise targeting of the population group, or subset within that group, toward whom the program is aimed.

Program Impacts. The analyst should examine the credibility of program design assumptions regarding the nature of policy reform impacts on the target population. Who may be unintentionally affected by the program reforms? The analyst should attempt to determine the probable distribution of likely short- and long-term direct and indirect impacts. This discussion should disaggregate impact by gender, socio-economic status, location (urban vs. rural), occupation groups, etc., as appropriate to features of the program. The analyst should anticipate negative impacts as well, and recommend means to mitigate these. For example, economic stabilization programs which seek to reduce government expenditures have in some cases resulted in government's cutting back on important social services such as health care provision. One recommendation might be to maintain specially targeted health services for pregnant women, infants, and children among the rural and urban poor.

Distributional Issues with Specific References to Equity. The analyst should identify distributional issues which may occur with new organizational arrangements for the provision of goods and services under programs which promote the involvement and growth of private sector economic activity. This question relates to achieving broad-based growth with equity. For example, the availability of commercial credit may be expanded for private sector economic actors under an existing government-owned bank, or with the creation of a new private sector bank - what institutional mechanisms are in place to ensure equity of access to commercial credit? Should any subgroups of the population, i.e., women, small-scale traders, small-scale enterprise owners, particular ethnic groups, be especially targeted to ensure equity of access? The analyst should recommend means for increasing equity of access to goods and services under privatization programs and under programs that promote the growth of the private sector to those targeted groups of individuals.

Institutional Analysis - The analysis of institutional issues should include a joint determination of the institutions which must be involved in decision-making and implementation of the reform program, and the necessity for coordination among these entities when more than one institution will be involved. If coordination is necessary, what is the mechanism or institution that could provide this function? The analyst should recommend how this coordination should work based on a knowledge of the organizational culture of the involved institutions and political relations among these entities. The organizational culture of each of the institutions that will be involved in program implementation, monitoring, and

evaluating should be assessed including information such as lines of authority, communication systems, decision-making systems, personnel incentive systems, and political factions. How might the relevant features of these institutions either enhance or constrain program implementation success? The analyst should recommend means for working effectively with the institution based on this analysis.

Political Analysis - The analyst should examine the current political climate and factors that are affecting it which could either support or constrain program objectives and goals. These may include internal events or situations such as program threat to status and power within the civil service bureaucracy, strong public support from recent elections, or the lack of government authority to enforce policies and regulations in remote areas; and external events such as regional warfare or the sudden loss of overseas markets for critical commodities produced by the country. The analyst should recommend ways that the proposed program can take these events into account to ensure political support for reforms. The analyst should examine the potential of civil unrest in response to features of the proposed reform program including attention to such groups as political party members, university students, the urban poor, and trade unions. To the extent possible, recommend means to reduce or eliminate negative affects of the program that may result in civil unrest.

Data for Monitoring and Evaluation - The analyst should assess social, political, and institutional data needs for program monitoring and evaluation, and for testing program assumptions. How should such data be analyzed and incorporated into possible program modifications? The analyst should also recommend in-country organizations and/or individuals who should be employed for data collection and analysis under the program.

IMPLICATIONS OF THIS STUDY FOR ANTHROPOLOGISTS AND OTHER CONCERNED SOCIAL SCIENTISTS

The proposed guidelines detailed above do not exhaustively cover all the issues which require social and institutional analysis under economic policy reform programs. Concerned individuals should consult the growing literature on this topic. However, this brief synopsis calls to attention some of the most critical issues upon which social scientists should focus. While rural sociologists and political economists are posed to contribute to the analysis of these issues, anthropologists in particular should play a major role based on their traditional attention to and understandings of the dynamics of organizations and institutions,

and to ways in which individuals in specific locales and cultures work and try to adapt to conditions of the larger economy in which they live. As a precursor to such an analysis, it is essential to have an understanding of standard macroeconomic theory and how it actually impinges on economic and political behavior.

Anthropologists interested in working on development issues, particularly those trained in political, economic, and agricultural anthropology, need to learn more about the implications of economic policy reform programs and to conduct policy analysis for both domestic as well as international reform programs. In this way anthropologists can make the necessary contributions to more socially and politically responsible policies. Such analytical contributions to the field of development are critical as U.S. foreign assistance to nations continues to be based on the willingness of governments to implement major economic reforms. It is equally imperative that the conduct of analysis for the design of socially informed economic policies be done increasingly by social scientists native to those countries where such reforms will be implemented.

NOTES

1. For reviews of the social consequences of macroeconomic policy reforms, see Boyle, The Socio-Economic Effects of Structural Adjustment on Women (1988), Cornia et. al., Adjustment with a Human Face (1987), Heller et. al., The Implications of Fund-Supported Adjustment Programs for Poverty (1988), Hood, McGuire, and Starr, The Socioeconomic Impact of Macroeconomic Adjustment (1988), Per Pinstrup-Anderson, Macroeconomic Adjustment and Human Nutrition (1988), World Bank; World Development Report 1990: Poverty (1990), and Zuckerman, Adjustment Programs and Social Welfare (1988).

2. See for example, A.I.D. The Impact of World Assessment and Adjustment Programs on A.I.D. Target Groups; Implications for Food Aid (1986) and the World Bank, Protecting the Poor During Periods of Adjustment (1987).

3. The 14 policy reform program design documents that were reviewed under this assignment were for the countries of Malawi, Zambia, Rwanda, Mauritius, Mali, Guinea, Senegal, Zaire, Togo, Gambia, Cameroon, Niger, and Uganda.

4. The reports that I used for background reading prior to this assessment included Goldensohn et. al., 1987; Haykin, 1987; Johnston et. al., 1987; Lim and Moore, 1987; Ross et. al., 1987, Serageldin, 1987; Sines et. al., 1987; Warren, 1986; Wedemann et. al., 1987; Wilcock et. al., 1987; the World Bank, 1986 and 1988.

5. See Dione and Staatz, Market Liberalization and Food Security in Mali (1987), in which they report on research conducted in Mali on the impact of price support interventions for domestically produced grains on farmers located in various rural development zones.

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DEVELOPMENT ANTHROPOLOGY IN A RAPIDLY URBANIZING WORLD[1]

JOHN P. MASON

INTRODUCTION

The world is becoming irreversibly urbanized. As we approach the 21st century the dominant demographic trend we see--besides world population growth itself--is urbanization. While an issue of some concern to the U.S. Agency for International Development (A.I.D.) as well as to the U.S. Congress, urbanization is a complex and little understood process. It continues unabated, at a very rapid pace, and differently from the way towns and cities have evolved in the West. In the developing countries, urbanization is not inevitably linked to overall national economic growth and development.

A.I.D., other donors, and developing country governments need a better grasp on the contribution of town and city formation to national growth. At the policy level, knowing the direct impact of economic and social policies on a country's human settlements is critical to national planning. Understanding urbanization's role in national growth is also essential in developing effective country development strategies. On the program and project level, designing interventions in areas such as rural production, requires knowledge of the pivotal part played by rural-urban linkages, especially market town development.

This paper contends that there has been a rural-urban "divide" in the A.I.D. approach, in other donor agencies, and in developing country governments. The "divide" consists of a growing anti-urban bias and the perception that urbanization is somehow "bad." As we will see, urbanization in some cases does contribute effectively to overall national economic growth and development.

In both theoretical and development work contexts of urbanization, the anthropologist has creative roles to play. These roles range from theorizing about the urbanization process to implementing interventions which affect that process. This paper will review those contexts in some detail, followed by a brief discussion of where and how anthropologists can make a contribution to understanding urbanization and to influencing development programs dealing with urbanization.

BACKGROUND

Development agency work in rural and urban development is reminiscent of a divorce. The symptom is a growing "rural-urban divide" in donor agency bureaucracies. While the opposition of rural and urban is artificial, the boundaries of the two areas have become entrenched in most donor agencies. As a rural-based strategy became the focus of most development activity, interest in urbanization faded. The result was an impoverished understanding of the role of urbanization in development, in which this process came to be viewed more and more distantly as some undefined, unmanageable "problem." Urban issues were perceived as having little to do with rural development issues. The result was a large gap in knowledge and understanding of the rural-urban linkage.

Clearly there are exceptions to this "rural-urban divide" in A.I.D. as well as other development agencies (Booth et al. 1984). This paper builds on A.I.D.'s and, to a limited extent, other agencies' efforts to build on understandings about both rural and urban development. It is from such experience and knowledge that we come to understand how rural and urban forces of growth affect one another.

Interest in the rural-urban dynamic is partly a reaction to the tendency by some to narrowly characterize urbanization in the developing countries as a "problem" (Lipton 1977). It is also motivated by frustration with single-focused, rural strategies that are often treated as if they embodied the sole solution to national development. Today urbanization is being increasingly defined as integral to the national development process and as intimately bound to rural development (London 1987).

THEORETICAL PREMISES OF URBANIZATION

A key concept in this paper is the rural-urban linkage, which is defined as the movement and exchange of people, goods, money, services, and ideas back and forth between rural areas and urban centers, including small towns. More narrowly, it is the flow of agricultural inputs, services, products, and money between farms and towns through the medium of the market.

While rural-urban exchange is rooted in the agricultural sector, it is assumed, following Mellor (1986), it spreads growth and jobs outside of that one sector, creating more linkages. In Mellor's view, specific elements of the rural-urban linkage provide the basis for a successful agriculture- and employment-based strategy. These elements are provided by communications and transport infrastructure and by regional urban centers with high employment potential. Such regional urban centers are often small towns, which, if they are functioning effectively, generate demand for farm products, offer job possibilities for farm and town populations, and function as centers for agricultural supply (Rondinelli 1987).

A qualification to the rural-urban linkage definition, one that will be discussed more fully later in the paper, is that not all connections between rural and urban environments are beneficial to all populations affected by those connections. One example is rural-urban linkages that serve elites, often urban elites, in economically exploiting small agricultural producers. Another is linkages that commercialize agriculture and, as some social scientists contend, put the survival of the poor who reside in low-resource agricultural regions at greater risk than they already face, by subjecting them to the whim of market forces (Rondinelli 1987).

While the major impetus for rural-urban movement or exchange is viewed as economic--including jobs, production, income, marketing, and consumption--it is heavily shaped by social factors, such as the organization of people involved in exchange. Type of community, extension of kinship system, household organization, division of labor by age and gender, and solidarity and degree of sharing among social groups are some of the social features that shape linkages. Also critical is infrastructure, including roads, marketplaces, and communication systems. Political-administrative arrangements and health and education services also provide an important glue for linkage. Ultimately it is in these kinds of conditions surrounding economic exchange, the so-called "conditioning environment" (Bendavid-Val et al. 1988), not in the mechanics of trade or commerce itself, that development interventions will be made. The urbanization process is, of course, very much a part of this conditioning

environment and must be analyzed and planned for in developing rural-urban linkages.

The vantage point from which rural-urban linkages are viewed in this paper is urbanization, which is defined as the process by which a country's population changes from a predominantly rural to an urban way of life. Urbanization is measured by an increase in the proportion of a nation's population living in towns and cities. Urbanization thus differs from urban growth, which is simply the rate of increase in size of an urban population (Davis 1972; Singlemann 1984). Urbanization is a critical though, within A.I.D., poorly understood part of national growth and development, and it therefore requires greater attention. By the same token, because the Agency's strategy to date has had a rural base, the rural side is much better understood than the urban. This is evidenced in numerous reviews of rural and integrated rural development efforts (e.g., Binnendijk 1988; Chambers 1983; Honadle and VanSant 1985; Kumar 1987; Moris 1981).

A final caveat is the term "urban" itself. Virtually every country uses different definitions to classify its population into urban and rural components. In computing statistics, the United Nations expects national definitions to distinguish urban areas from rural areas (UNCHS 1987). For example, many African nations define as urban those localities with 2,000 or more population. Ethiopia uses 2,000 as its lower limit, while Nigeria defines as urban, towns with 20,000 or more inhabitants whose occupations are not mainly agrarian. In Latin America, Peru defines as urban populated centers with 100 or more occupied dwellings. In Asia, India defines as urban a town that possesses specific municipal administrative bodies, while Japan uses 50,000 inhabitants as its minimal definition. Some nations stipulate a minimal number of persons per hectare or square kilometer, and others use such criteria as the presence of secondary schools, government and private offices, or mills and factories.

The point of all this is twofold: first, comparisons of data on urban populations between countries and regions must be treated with care, and second, when the term "urban" is used here, it may refer to any settlement from the smallest rural town to the largest megacity. Where it is relevant to the discussion, an attempt is made to differentiate among these definitions.

Urbanization in the developing world today is qualitatively different from urbanization as it occurred in the West. This is particularly so in low- or no-growth countries, where rapid urbanization is occurring at much lower per capita income levels than for Western countries in comparable periods (Hamer 1985; Mohan 1976). In some developing countries, urban growth is happening at almost alarming rates of speed—alarming in the sense that the most rapid urban

growth often occurs in some of the poorest countries with the lowest resources and least capacity to generate productive work and income in urban areas.

Urbanization and "Progress"

The development profession's view of urbanization has changed significantly over the years. Up to the mid-1960s, urbanization was tied to modernization, a process that was assumed to include the elimination of a society's "traditional" or "backward" elements (Gusfield 1967). Social or political difficulties accompanying rapid urbanization were viewed as merely transitional--a byproduct of becoming modern (Bienen 1984). During that time, it was the developing countries' urban-based public policies that shaped decisions about use of national resources. As a result of those policies, surpluses from agriculture and livestock were often transferred to urban investment; food prices were subsidized; and distribution of public services, facilities, and infrastructure decidedly favored urban areas. General effects were an overemphasis on the modern, formal sector and an increasing gap between rural and urban income levels.

As the focus of developing country urbanization shifted, however, the "progress" model became unworkable. Many of the criteria of modernization were relatively absent from the developing country urbanization process, including such benchmarks as a productive agriculture sector, industrialization, formal employment, and balanced rural-urban development (Abu-Lughod and Hay 1979). The differences in the evolution of Western and developing country cities, and especially the extraordinary growth rates among the urban poor, began to gain increasing attention.

A Growing Anti-urban Bias

Later ideas about modernization tended to depict migration and urbanization as undesirable. By the late 1960s and early 1970s, development task group pronouncements (Pearson 1969; Prebisch 1970) distinctly downplayed the role of urbanization in national development. As a result urban centers were characterized, not as a focus of development but, as a place where rural surplus labor ends up, unemployment occurs, and social tensions abound. The new urban poor were seen as a drain on developing nations and as belonging primarily back on the farm (Goldstein 1983). Poor urban migrants were also depicted as a drain on the city because, with their involvement in unskilled, unproductive work, they

ultimately ended up in "slums of despair" or "cultures of poverty." Thus emerged the stereotype of the urban poor as people ensnared in a tradition of poverty, incapable of contributing to urban life and therefore marginal to the modernization process (Perlman 1987).

Paralleling the inability of international assistance agencies to pinpoint the most effective place for their interventions in urban development was the tendency of national governments to cast their urbanization problems too narrowly (Terzo 1971). Problems were defined as sector issues--for example, housing or community services--or as resource needs, such as infrastructure or subsidized shelter projects. Developing country proposals presented to donor agencies for funding of urban sector activities were therefore very narrowly defined and focused on specific urban problems.

Recently, the urban poor are no longer being described as a fleeting appearance on the road to becoming modern. Rather, they are seen as a fixed part of the urban landscape, thereby coming under scrutiny in light of their role in carrying much of the burden of urban economies as well as their potential for fostering revolutionary action (Bienen 1984). Even the image of the urban poor as a revolutionary force has shifted, so that currently many development specialists consider them to be no more or less rational than urban elites, adapting as best they can under worsening socioeconomic conditions, and as serving an indispensable economic function in underdeveloped economies (De Soto 1987; Nelson 1979).

However, the anti-urban bias that arose in academic and international assistance agency circles in the 1960s and 1970s is still with us (Lipton 1977; Cohen 1979; Booth et al. 1984). The strong urban bias seemed in need of redressing, and the 1973 New Directions legislation and the resultant A.I.D. rural-based strategy were attempts to correct the situation. Even the new policies were not entirely successful, however, as they had the seemingly unintended effect of emphasizing the rural-urban dynamic--which is now beginning to be recognized as very important for overall national growth and development.

URBANIZATION AND ITS RELATIONSHIP TO NATIONAL DEVELOPMENT

The literature reviewed for this paper revealed no clear distinctions about types of urbanization as they relate to development. Therefore it was deemed useful to develop definitions of two distinct types of urbanization, which differ according to the way in which each is associated with national economic growth and development. Representing extremes of the urbanization process, most of

which occurs on a continuum lying between the two types, this typology is heuristic and intended to help clarify the issue of how best to harness that process for national development purposes.

Type 1 is urbanization with development. It occurs when national economic growth and development are present, including a national policy that integrates economic and spatial planning, a productive agricultural sector, growth of secondary cities and market towns, and manageable levels of rural-urban migration. Type 1 urbanization takes place in developing countries experiencing an increase in the proportion of urban to rural population at the same time as there are increases in agricultural production and incomes and in urban employment, productivity, and incomes. Type 1 favors a dynamic agricultural sector, which in turn leads to prosperous secondary cities and market towns.

Type 2 is urbanization with limited development. It occurs where overall national economic growth and development are inadequate to meet the needs of a growing population. Other features of this type of urbanization include the lack of a national policy that integrates economic and spatial planning, underproduction in agriculture, "overmigration," growth of megacities, and the relative absence of intermediate cities and towns. In contrast to Type 1, Type 2 urbanization occurs in countries in which there is an increase in proportion of urban to rural population, but also an absence of adequate agricultural production increases, job and income growth, and viable secondary cities and market towns. Furthermore, in countries experiencing Type 2 urbanization, cities become increasingly populated by the poor who are unable to improve either their employment possibilities or their incomes.

Worldwide Urban Population Trends

In countries in which Type 2 urbanization occurs, the constraints have often been historically determined. In physical terms, the spatial arrangements in the developing countries were formed to fulfill the trade, commercial, and political requirements of the colonial powers (McNulty 1987). Thus, regional and national economies were bypassed, creating a distorted pattern of urban settlements and an imbalance in the distribution of rural and urban settlements.

Policies in developing countries have reinforced rural-urban imbalances, as present population and urbanization data show. When projected to the future, these data suggest significant trends for both developing country urban growth and urbanization. The United Nations Population Division (1986) has made the following projections on the basis of its biannual country analyses of urban and rural populations:

- Urban population increases will occur most rapidly in the developing countries in the next several decades.

- Developing countries' urban populations are expected to be fully 50 percent of their populations in the next generation or so.

- Developing countries' urbanization levels will begin to approach those of the developed countries by about the year 2020.

These trends might convey a favorable picture if the industrial world pattern were serving as the model. When measured against the world's poorest countries and regions, however, they are a cause for alarm. In countries such as India, Bangladesh, Ethiopia, Sudan, Zaire, or Kenya, for example, growth in the number of megacities tends to draw resources from rural areas without much return benefit to rural producers. Furthermore, the major portion of urban growth in most developing countries is due to natural increases in the birthrate rather than to rural-urban migration. This means that continued rural-urban migration will only worsen a situation in which the larger cities have enough to cope with given their own, already high, natural population growth rates. One recent sign of optimism is that as economic realities change in poorer countries, more and more migrants are heading to the intermediate cities, cities that provide a means of building or maintaining the rural-urban balance (UNCHS 1987).

Regional Urbanization Trends

The world's major regions are characterized by clear differences in rates, levels, and types of urbanization. These differences are summarized in the following generalizations, which--it must be stressed--do not necessarily hold for all countries in each region:

- In **Africa**, countries will experience a high, 4-5 percent rate of urbanization in coming decades, but generally in the absence of adequate overall national development, especially with regard to jobs and urban infrastructure.

- In the **Near East**, countries will undergo urbanization skewed toward a growing concentration of urban people in the largest cities.

- In **Asia** increasingly there will be differences in type of urbanization from one country to the next: low-income countries will experience very high levels of urbanization, while middle-income countries will undergo less rapid, more balanced urbanization.

- **Latin America** will have an extraordinarily high level of urbanization but without the kind of economic growth characteristic of the West.

Of the major regions, Sub-Saharan Africa and South Asia give the most reason for concern. These two poorest subregions in the world could one day support as much as 50 percent of the global population, and of that amount, fully half would be living in cities. While Africa, Asia, and Latin America show significant differences in rates, levels, and types of urbanization, they do share certain characteristics. For one, in low-income developing countries, the proportion of rural to urban population is much greater than for middle- or high-income countries. For another, megacities are present in all regions. For supercities generally, the question of whether they are desirable or technically feasible looms large on the horizon; it will not be long before the world has several major metropolitan areas of 25-30 million people, many of whom will be poor and not productively employed.

NATIONAL FACTORS IN URBANIZATION

This section brings together some of the major factors involved in the processes of urbanization and national development described above for the regions. Its purpose is to set the stage for a discussion of rural-urban linkages in development.

The Link of Urbanization, Migration, and Development

National development is based on the connection of three important factors: migration, urbanization, and development (Timberlake and Kentor 1983). An imbalance in these factors can throw that entire process, including the rural-urban balance, out of kilter. Such a linkage can be witnessed most emphatically in countries where an "urban explosion" is essentially transforming a nation from an agrarian to an industrial service economy (Rogers and Williamson 1982). In such cases the net flow of migrants from rural to urban areas can be quite closely correlated to the level and rate of economic growth

(U.N. 1980). As Ledent (1982: 537) wrote, urbanization is a function of a population transfer from rural to urban areas in response to "spatial imbalances between labor supply and demand during the course of modernization (industrialization)". Certain other studies, however, link migration to rural poverty rather than to national development (UNCHS 1987).

Theories of Migration: Contrasting Views

In developing countries, individual households respond to economic incentives in choosing places to work. What is still being debated is how household members decide to migrate and where to go, and why they continue to migrate to the city in the face of growing urban unemployment.

Economists Harris and Todaro (1970) and Gugler (1982) agreed that potential migrants take into account not only rural-urban income differences but also the probability of obtaining urban employment. The Harris-Todaro model proposed that migrants try to guess the expected differences in rural-urban income and to hedge their bets accordingly. Thus, according to this model, rural-urban migration continues theoretically until the relative chances for a potential job diminish to a point approximating zero.

Research on where rural migrants end up in the urban economy suggests they may either become a drag on the economy or, at the opposite extreme, provide a stimulating force (UNCHS 1987). On one hand, migrants are seen to contribute to underdevelopment, straining the resources of the city to provide jobs, shelter, infrastructure, and urban services. Because migrants come to cities where poverty already exists, conventional wisdom has generally assumed that they only aggravate urban problems because of their increased numbers and lack of skills.

On the other hand, recent research has indicated that rural migrants often make a positive contribution to the socio-economic life of the city (Goldscheider 1983). That research points to young, highly self-selected, and ambitious representatives of the rural poor whose migration to a smaller, then larger, city results in competition by which the urban-born are being nudged higher up the socioeconomic scale. This perspective views the city in the developing world as a modernizing force, making cosmopolitans out of rural migrants.

National Policy and Human Settlements Development

National economic and social policies have a direct impact on a nation's human settlements. National policy that directly effects income and employment, for example, has additional effects, in turn, on the settlements. In addition, as the Habitat report (UNCHS 1987: 93) on human settlements suggests, "Policies on imports, on the value of the currency, on the growth of industrial and agricultural output, and on the distribution of investments between sectors all affect, sometimes in unintended ways, the development of human settlements."

As this economic policy-human settlements link is becoming better understood, some countries are making efforts at the policy level to integrate economic goals with human settlements planning. Such an integration may result in a better spatial distribution of people and economic growth, aimed at reducing regional and local inequality. On the other hand, it may result in a set of policies that mobilize resources to deal with high population growth rates and urbanization that might otherwise cause severe employment, housing, and urban services problems.

KEY DIMENSIONS OF RURAL-URBAN LINKAGE

The nature of rural-urban linkages is above all situational, depending on where and under what conditions the linkages occur. Linkages are different from one another, for example, depending on whether they occur in low-resource and subsistence agricultural regions, commercializing agricultural regions, or urban regions. Where urbanization is of Type 1 (with development), rural-urban linkages actively contribute to a dynamic marketing system, while for Type 2 (limited development), they do not generate opportunities for increased employment and income generation.

The situational character of rural-urban linkages is especially evident at the level of small and intermediate urban centers in rural areas. Given that every such center has its own peculiar mix of resources, skills, and development potentials (Bendavid-Val et al. 1988), its ties with the surrounding area, including regional and national economies, are bound to be more or less unique. This is the case even where two towns in the same region have a similar population size. Thus, local or situational factors must clearly be considered in the design of development interventions that aim to promote a greater dynamic in the rural-urban linkage.

Key Dimensions

Since the rural-urban linkage seems not to have been systematically defined elsewhere, this paper develops an inventory of what appear to be the most important dimensions. These dimensions are (1) economic-technological, (2) spatial, (3) infrastructural and services, (4) financial-administrative, and (5) key organizational players. While economic forces are deemed to have the greatest influence on rural-urban exchange, the other "conditioning" factors are critical to how viable and sustainable that exchange can become.

The economic-technological dimension includes rural and urban demand, production, and employment/income. It consists of backward and forward flows between predominantly rural agriculture and mostly urban industry, including production, exchange, and consumption of each other's products. Rural and urban demand and production are seen as generating exchanges that drive economic growth and development. Rural nonfarm employment and income generation are important ingredients of the economic-technological aspect of rural-urban linkage.

Under the spatial dimension, towns and small secondary cities are highlighted for their place as links in the food marketing chain between rural and urban markets and as centers of innovation and diffusion, especially technological and financial. Infrastructure and services include all the means of keeping things and ideas moving (market, transport, roads, water and sanitation systems, communications systems), and people fed, healthy, and educated so they can go about their business and be productive. These different, physically-based systems play a critical part in keeping the rural-urban flow dynamic.

The financial-administrative dimension consists of financial institutions for savings, investment, and credit for rural production in the broad sense. In addition to financial resources for agricultural production, this dimension includes services, marketing, manufacturing, and commerce for off-farm and nonfarm production. This dimension is divided along public and private lines in that some of the critical services and infrastructure in rural areas (such as irrigation, roads, and central marketplaces) are financed by public sources, while private sources finance the private sector for the functions associated with the food marketing chain.

The last dimension consists of the key organizational players. They are the persons who in their specific roles keep the linkages linked. They produce the surplus crops, broker the sale, lend the money, process the food, market the produce, drive the trucks, earn an income, buy the product, spend their cash. These key players also highlight some of the points where development

interventions can be made in order to enhance the growth of rural-urban exchange.

A BRIEF REVIEW OF A.I.D. EXPERIENCE IN DEVELOPING RURAL-URBAN LINKAGES

Over the last 15 years or so, A.I.D. has experimented with several related approaches to developing existing patterns of exchange between urban and rural environments. These approaches consciously aim to capture and channel the energies that reinforce both rural and urban development. In certain cases, A.I.D. has been able to assist developing countries in forging linkages between rural and urban communities.

Resource Management Approach

It is in the degradation of natural resources that the ecological balance between urban and rural conditions is perhaps most readily observable (Brown and Jacobson 1987; Sachs 1986). One response by A.I.D. Bureau for Science and Technology's Office of Rural and Institutional Development to increased pressures on scarce resources, high energy costs, and rapid urban population growth is the MEREC or Managing Energy- and Resource-Efficient Cities approach (Bendavid-Val 1987b; Sood and Rogers 1983). The MEREC planning process is designed for secondary or smaller cities with much of their growth and expansion ahead of them. In one demonstration city, Tacloban, the Philippines, project elements included land use planning, a water distribution system, solid waste management, a slaughterhouse bio-gas plant and oxidation ponds, electricity efficiency, urban farming, a traffic plan, and training and public awareness activities. Besides creating new job and income opportunities, MEREC contributes to improving the quality of life of a city's residents by adapting its institutional capacity to creatively manage a new set of human-environmental conditions.

Regional Development Approach

The predominantly rural-based strategy that A.I.D. developed in the early 1970s led to the use of a sort of "hybrid" terminology for discussing rural-urban linkages. The Office of Rural and Institutional Development used such terms as "regional analysis and development," "urban functions in rural development," "rural market towns," and "secondary city development" to define the economic role of cities or towns in increasing agricultural productivity and rural incomes

(Rondinelli 1980, 1985; Rhoda 1982). Use of those terms has continued to the present.

Specifically, regional development and analysis concentrates on cities and metropolitan areas, including their size, place, and economic functions, within more encompassing regional or subregional contexts. Its concerns range from geographically based studies of poverty to household-level income surveys. While A.I.D.'s effort in building on the rural-urban dynamic has rarely gone by the name of "regional development," the Missions and regional bureaus have implemented a significant number of projects that are essentially of that type. This effort reflects a gradual shift in the Agency's regional activities, especially in the Asia/Near East and Africa regions, to urban development issues, but not issues of megacities and metropolitan areas with all their perceived problems. Rather, the shift has been to urban centers that serve important economic functions for rural areas, functions that are not so readily apparent in the case of megacities. Regional development specifically directs attention to the economic functions of those secondary cities and rural market towns that are capable of sustaining and being sustained by rural, agriculturally productive regions (Bendavid-Val 1987a; Rondinelli 1987). The regional approach underscores development of multisectoral linkages, city-city or city-town (interurban) connections, and interregional ties. It requires a more complex planning organization than project designers are accustomed to, including multidisciplinary research on numerous multisectoral needs and spatial conditions.

In Sub-Saharan Africa A.I.D. has gradually turned to a regional orientation, in which the priorities have been to address problems of declining food production and very rapid population growth (Clark University 1988). Interventions there include agricultural production and urban income-generating projects. The regional development approach has permitted A.I.D. Missions in Africa to channel some resources toward urban-regional conditions while remaining within the framework of rural development and expertise. Because organizational planning complexities and limited financial resources prevent application of this approach across the board to a developing country's national development needs, Missions have used it mainly for production and income-generation projects.

The regional development approach continues to be applied today, though modified and newly clothed. It is no longer as broadly based as the original approach, in that it focuses on subregions, district-level areas, or even subdistricts.

Urban Functions in Rural Development and Market Town/Secondary City Development

One effort to decentralize investment and authority along spatial lines in order to promote growth outside of large cities and metropolitan areas was the Urban Functions in Rural Development project (UFRD), sponsored by the Bureau for Science and Technology's Office of Rural and Institutional Development (Rondinelli 1980). UFRD built on the concept of rural-urban interdependency and especially the important role of market towns in rural development. UFRD defined cities as service providers to rural areas, and rural areas as providers of agricultural products for marketing in towns and cities. Applied in several demonstration projects in the Philippines, Bolivia, Burkina Faso, and Cameroon, UFRD provided an analysis of the degree of linkage of rural areas to regional centers. While heightening local planners' awareness of the importance of spatial factors, UFRD did not result in planning and investment decisions in A.I.D.-assisted projects partly because these factors were seen by development experts as too "top down" (Karaska and Belsky 1987). Recently the focus of UFRD has been narrowed to two critical aspects of the rural-urban dynamic: (1) market towns and their place in marketing specific agricultural products and (2) secondary cities as producers of goods and services for rural communities, sources of employment, and stimuli for agricultural production.

Most developing countries have too few small towns and intermediate cities (Rondinelli 1984). Where such urban centers do exist, they rarely have sufficient public services or job opportunities to absorb rural migrants and, therefore, they cannot readily contribute to regional economic growth. One result is that migrants from labor-surplus rural areas are forced into already over-saturated megacities, while rural regions lose many of the better educated and more productive people. In this context market towns play the important role of stimulating rural economies through the increased commercialization of agriculture (Rondinelli and Ruddle 1977). The Office of Rural and Institutional Development has supported studies of the place of market towns in a rural-urban strategy that underscore the role of these towns as a stimulus for agricultural production and income growth (Bromley 1984; Carroll et al. 1984; Gibb 1984; Hackenberg and Hackenberg 1984).

The Office of Rural and Institutional Development has supported a study (Rondinelli 1987) of the rural-urban dynamic that focuses on marketing as the most important linkage between rural areas, towns, and cities. More specifically, marketing linkages are defined as being critical in agriculture, employment, and enterprise development. From this perspective, A.I.D.'s best investment is seen as lying in improvement of rural-urban marketing systems in areas undergoing a transition from subsistence to commercial agriculture through developing basic

market-support infrastructure. Examples of such infrastructure include on-farm and commercial storage facilities, basic transportation facilities, and farm-to-market and inter-market roads that give farmers greater access to market towns and small cities. The critical issue in developing marketing linkages is not whether, but how, government should use its resources in promoting growth and diversification of agricultural economies. The study recommends that where the private sector is unable to provide services and infrastructure or where poor households would have little access to the market, public resources should be used.

Secondary cities combine economic, social, and physical traits of both rural and urban contexts, an important fact for A.I.D. strategy consideration. Commerce and trade, manufacturing, and provision of urban services are common features in such cities, although scale is of course much smaller than in megacities. That a significant portion of their population works in agriculture or agriculture-related activities is a factor they have in common with rural communities. The Office of Housing and Urban Programs and the Office of Rural and Institutional Development have supported studies of secondary city development (SCD) (e.g., Rondinelli 1983a, 1983b, 1983c; Van Huyck et al. 1985) that demonstrate the importance of certain understandings about the SCD process. First, SCD will not cure the poverty and "overurbanization" of the more problematic megacities. Second, social and economic objectives rather than, for example, preconceptions about "hierarchies of urban place" should drive SCD. Third, basic infrastructure is a precondition for SCD. Finally, implementation of SCD should be decentralized and involve local stakeholders.

The UFRD and SCD approaches represent A.I.D.'s continuing effort to maintain the integral role of the urbanization process in national development. They are in effect refinements and recastings of the earlier regional development approach. Their results were initially generalized plans for regional rural-urban development, plans that proved difficult to use for investment purposes. Subsequently these approaches were narrowed to focus on the role of marketing linkages and especially the market town in promoting economic growth and development. The offspring of UFRD and SCD is the even more focused and therefore more specific SARSA approach.

Settlement and Resource Systems Analysis

The Settlement and Resource Systems Analysis (SARSA) approach (A.I.D. 1988; Clark University 1988), sponsored by the Office of Rural and Institutional Development, aims to provide understanding of land settlement issues, natural resources management, and the rural-urban dynamic. It is also used to advise

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USAID Missions, some of which may be prepared in the near future to support development projects based on SARSA's regional economic findings, analyses, and recommendations. Following the lead of the Government of Kenya, A.I.D. is supporting a strategy of local investments that build on development prospects of small towns and secondary cities tied to areas of expanding agriculture. Specifically, the strategy focuses on applying scarce resources to develop infrastructure in rural centers selected as the best prospects for agricultural production and related activities such as processing, manufacturing, and services. A.I.D.'s purpose is to support analysis for use in shaping interventions in the selected region, develop baseline data for future evaluation purposes, and assist in developing guidelines for the Kenyan rural-urban balance policy. It is expected that this evolving approach can be applied elsewhere in Kenya.

SARSA has evolved from a somewhat macro-oriented approach rooted in a regional development tradition. It has been narrowed and refined, resulting in the highly specific, household-based research methodology. A highly promising approach for A.I.D.-assisted rural-urban development, SARSA is still at the stage of basic research but is moving closer to providing a framework which can serve as the basis for an investment strategy. The apparent drawback to SARSA is its heavy reliance on intensive, household-level research that generates data of a highly situation-specific nature. As an experimental method it has much to commend it, although to standardize it for use as an investment strategy might prove difficult given the variable character of local, subregional socioeconomic conditions within, and especially between, countries. One possibility is that the general principles SARSA has derived from its research on rural-urban exchange could be operationalized in a rapid reconnaissance format in order to speed up their application to project development.

City as "Engine of Growth"

The idea that the urban center, in this case the city--in contrast to the rural market town--is the engine of national economic growth, while certainly not a new idea, has recently gained some currency through a report supported by A.I.D. Bureau for Private Enterprise's Office of Housing and Urban Programs (Bendick 1984). According to that report, urban centers offer greater economic efficiencies because their population concentration is so much greater than that of rural areas. The report further describes the role of secondary cities and market towns in raising rural incomes. In contrast to approaches described earlier, however, the focus of this approach is not on the reciprocity of rural and urban factors but rather on the arena of competition between different types of urban centers. The type of urban development envisioned according to this approach

would take place in smaller cities and market towns lying in areas of expanding agriculture.

In support of the "city-as-engine" perspective on national growth is the fact that some industries are reluctant to locate outside of metropolitan regions, despite public initiatives for industrial decentralization programs. This perspective maintains that the provision of industrial infrastructure in itself is the wrong incentive, so long as firms do not see the advantages in terms of production and market efficiencies. Therefore, the selection of cities for SCD would have to be based on strict measures of economic efficiency and comparative advantage.

Now prominent in A.I.D. is an alternative approach that stresses policy reform necessary to get dynamic growth started (based on agriculture/comparative advantage). Such reform, which focuses mainly on freeing markets and prices in favor of agriculture and economic efficiencies, is juxtaposed, by way of example, with infrastructure projects. Tending to favor that thinking is the evolving strategy of the Office of Housing and Urban Programs, by which assistance is directed at helping developing countries to deal with the growing complexities of urbanization. Included in that strategy is assistance in developing national housing finance strategies, land use planning policies, local mobilization of finance, and improved municipal management (Clark University 1988). In addition, such Office of Housing and Urban Programs activities as studies of issues and opportunities in African urbanization (Abt Associates 1988) reflect a concern with some of the larger questions surrounding national urban development.

ISSUES FOR CONSIDERATION BY DEVELOPMENT ANTHROPOLOGISTS IN HELPING A.I.D. BRIDGE THE RURAL-URBAN DIVIDE

The discussion of a continuum between two extreme types of urbanization that may occur in developing countries, presented at the beginning of this paper, points to the need for a strategy to influence and thereby benefit from the urbanization process. The A.I.D. approaches to rural-urban development sketched earlier demonstrate a gradually evolving wisdom about linkage and exchange, and underscore the necessity for a comprehensive strategy that harnesses the mutually reinforcing energies of rural and urban development. The need for such a strategy represents a possible opportunity for anthropologists--given their particular skill in demonstrating the relevance of micro-level information and understandings to macro-level processes and vice versa--in both the theoretical understanding and implementation of policies and programs bearing on urbanization. The perspective anthropologists have of the larger system combined

with their attention to the players who make up the system provides them with an opportunity to affect the outcomes of policy deliberations about urbanization.

Since the policy and program implementation arena is further away on the time horizon, the remainder of this paper will focus on points anthropologists might consider in making an impact on urbanization theory.

Within the realm of theory of urbanization, some of the major issues raised in this paper concern the general role of urbanization in fostering national socioeconomic growth and development. Other issues concern more specific elements of the urbanization process, such as its part in promoting or inhibiting rural-urban linkages and, in turn, the place of those linkages in wealth generation. Yet other issues pertain to A.I.D.'s need to develop an approach to urbanization that will best permit it to leverage the distribution of national wealth along spatial lines.

Anthropological Understandings of Urbanization

In correcting a perceived urban bias, donor agencies have in recent decades adopted a rural-based development strategy. That strategy resulted in the neglect of urbanization's contribution to development and a mental association of that process with "problems." Examples of questions in this domain to which anthropologists might have some advantage in responding are:

- What new paradigm will come into being that will reduce today's 'rural bias'?
- What stimulus will trigger a renewed interest in the role of urbanization in national development?
- What strategies are appropriate for low-income countries, where migration plays the dominant role in urbanization?
- What strategies are appropriate for middle- and high-income countries, where natural birthrate increase is the dominant player?

Strategic Issues

There are several alternative ways to deal with a developing country's urbanization trends. Any strategic level consideration must take into account the

type of urbanization--that is, where it is along the continuum between Type 1 and Type 2. If Type 2, urbanization with limited development, prevails, then more emphasis should be placed on addressing such policy-level issues as rural or urban bias, "overmigration," megacities, and a general rural-urban imbalance.

If Type 1, urbanization with development, is prevalent, then an approach that emphasizes issues specific to urban development, such as municipal management, finance mobilization, and land use policy, would seem appropriate. That approach, presently used by the A.I.D. Office of Housing and Urban Programs, directly addresses the issue of the cost of urbanization (A.I.D. 1984). Although experts have known all along that that cost is enormous, it was W. Arthur Lewis (cited in Linn 1982) who perhaps stated the problem most plainly and forcefully: "Urbanization is decisive because it is so expensive." Reflecting both the concern with cost and the kinds of needs occurring in Type 1 urbanization, A.I.D.'s role in the urban sector has been to assist in providing cost-effective methods for planning, budgeting, operating, and maintaining cities.

As was noted at the outset of this paper, the differences between Type 1 and Type 2 approaches were purposely overdrawn for purposes of emphasis. In fact, because there may be a mix of the two types of urbanization within a single developing country (although one usually prevails), a specific country might well require a blend of the approaches sketched above. Such a determination should derive from the USAID Mission's procedure of arriving at an appropriate Country Development Strategy Statement.

Tactical Issues

The issue of the representativeness and standardizability of data collected under SARSA has implications for A.I.D. resources. The detailed, household level of research called for by SARSA's methodology puts a definite strain on time, personnel and expertise, and money. Although the methodology is defined as experimental at this stage, the fact is that it builds directly on theories and methods that A.I.D. has used for almost 15 years. The findings, though to a certain extent new, are not revolutionary, given our understandings of rural-urban development generally. What the SARSA methodology does potentially do for A.I.D. program development, however, is provide a much higher level of specificity about rural-urban exchange and balance than earlier approaches. And in that respect it could be an effective planning tool for A.I.D.

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Future Needs in A.I.D

While modest advances are presently being made in rural-urban linkage development through limited programs carried out in individual Missions, more experimentation of a selected kind is recommended. The shape and direction of the effort are, as described in this paper, presently provided under the rubric of SARSA. SARSA is already being undertaken in selected Missions in Africa, the region also in greatest need of both rural and urban development assistance. What is underscored here is that the rural-urban linkage should be isolated for project/program development and design purposes in the Agency in a clear-cut and forceful manner.

CONCLUSION

A.I.D. has a limited but growing experience in the area of rural-urban linkage development. What it requires for further advancement in this area is a better understanding of the urbanization process. The importance of developing country urbanization is clearly becoming recognized. As the two types of urbanization defined in this paper show, urbanization may in some cases become a critical stimulus for national development, while in others it is a symptom of underdevelopment. In either case, more knowledge is essential for creating more effective development strategies or for improving existing strategies to foster Type 1 urbanization. Anthropologists can play a clearcut role in helping to build the appropriate knowledge base. Where they are part of the development process, urban anthropologists with the appropriate bureaucratic skills might even play a role in applying that knowledge to the development of urbanization policy, programs, and projects.

NOTE

1. This paper was presented in abbreviated form at the American Anthropological Association Annual Meeting, Washington, D.C., November 17, 1989. It is adapted from a report (Mason 1989) prepared for the U.S. Agency for International Development (A.I.D.), Bureau for Policy and Program Coordination, Center for Development Information and Evaluation. The author, who wishes to acknowledge A.I.D. for its support of this paper, accepts sole responsibility for its content.

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GENDER ISSUES IN MICROENTERPRISE ASSISTANCE

MARI H. CLARK[1,2]

INTRODUCTION

Foreign assistance to stimulate the economic growth of microenterprises[3] in developing countries is an area where the links between human and macro-economic/political factors should be evident and integrated into policies, programs, and project design. However, most past analyses and a fair amount of assistance have focused on firms and finance rather than on entrepreneurs and their networks.[4]

Analysis of gender issues[5] in development assistance is inherently anthropological because it directs attention to people and then to critical socio-cultural differences, such as gender, which affect development results. The challenge of addressing gender issues in microenterprise assistance is one of focusing attention on male and female entrepreneurs, viewed in the context of the various social, political, and economic institutions that constrain or enhance their entrepreneurial endeavors.

There has been an ongoing debate among development practitioners around the question - what is the best economic development model to guide microenterprise assistance? Within that debate, other questions have emerged such as - what are the most effective means of assuring women's access to that assistance? And, is that really necessary? Some have argued for a poverty alleviation focus, which includes a concern for the importance of women's income for family welfare. Others have argued for a growth-oriented strategy, insisting that the limited resources and inability to generate growth in many developing countries necessitate targeting of resources toward subsectors with the greatest potential for economic growth (Downing 1990).

In her review of this predominantly economic literature, Jeanne Downing points out basic misunderstandings about women and microenterprise that have been the unintended by-products of the wider debate. On the one hand, most proponents of a growth-oriented approach have assumed, erroneously, that all women in development (WID) researchers advocated a welfare approach i.e. subsidizing women's low-cost, low return enterprises. This misinterpretation was based on the abundance of WID studies, at the household-level, which document the importance of women entrepreneur's income to family welfare. On the other hand, most WID proponents have ignored the contributions of growth proponents to the documentation of women's participation in specific subsectors and their influence on policy and development strategies. This was because many of those concerned about women in development had focused on the potentially detrimental effects of growth oriented strategies on women without exploring possible benefits (Downing 1990).

As Downing argues, these approaches are not necessarily mutually exclusive and, in fact, elements of both are essential. The new research agenda for A.I.D.'s (the Agency for International Development) microenterprise program builds on the assessment of constraints and incentives that keep women in low-return enterprises. But it goes beyond that to assist women in entering higher return product markets with greater potential for generating income and increasing economic growth (Downing 1990).

This is supported by A.I.D.'s Women in Development policy which stresses the importance of women's contributions to the goal of national economic growth (A.I.D. 1982). It is also consistent with current thinking reflected in recent seminars on the state-of-the-art of microenterprise assistance. These generated recommendations such as: re-thinking the notion of microenterprise program sustainability in terms of social benefits as well as economic cost effectiveness in the longer term; recognizing the heterogeneity of enterprises and entrepreneurs; and increasing the understanding of the policy and regulatory environment that affects the efficiency of men's and women's microenterprises (Clark 1989; Nathan Associates 1989).

Although anthropologists have conducted studies of entrepreneurs, the growth of firms, and the effectiveness of rotating credit groups, unless they have been directly involved in development program and project activities, their insights have remained largely within the halls of academia and have not informed these efforts.[6]

While it is important for development anthropologists to help to improve models for stimulating sustainable economic growth of microenterprises and improving the lives of people, it is also valuable to apply their analytical skills to

the various levels of the institutional context of development assistance. That is, while anthropologists and other social scientists can help identify what is needed for whom; they also can assess what is the best path through the bureaucratic mazeway to make those interventions happen more efficiently and effectively. The remainder of this article focuses on the latter - the institutional contexts that ultimately affect male and female microentrepreneur's opportunities to benefit from foreign assistance.

After a discussion of the rationale for looking at gender issues in microenterprise assistance, the article examines one layer of the institutional environment of microenterprise assistance - the policy, systems, and procedures of the donor agency. Another important layer that interfaces with the donor bureaucracy is the operating environment (policies and regulations) and the organizational dynamics of the implementing institutions for microenterprise assistance in the host country (see Blumberg 1989a, Otero 1987a, 1987b).

At the base of this are the local roles and rules for economic exchange between women and men within and between households. A large part of the gender and development literature focuses on this household and community level and provides valuable and necessary information for sustainable micro-enterprise program and project design (for example, see Dwyer and Bruce 1988).

WHY WORRY ABOUT WOMEN ENTREPRENEURS?

A.I.D.'s Women in Development Policy is based on the assumption that "The key issue underlying the women in development concept is ultimately an economic one: misunderstanding of gender differences, leading to inadequate planning and designing of projects results in diminished returns on investment" (A.I.D 1982). In other words, it makes good economic sense to take women into account in microenterprise assistance policy, programs, and projects. Women play a significant role in microenterprise but their economic contributions are limited by serious obstacles to be discussed shortly.

Microenterprises typically constitute a large portion of the economy in less developed countries, operating generally in the informal sector.[7] Women make important economic contributions to this part of the economy as entrepreneurs, employees, producers, processors, and traders as well as their unmeasured, "invisible" domestic service inputs in providing food, fuel, and water for their families; performing domestic tasks; and raising, feeding, and educating their children.[8]

The economic importance of women entrepreneurs has been stressed in numerous recent studies such as the International Labor Office (ILO) assessment of entrepreneurship of women in developing countries (van der Wees and Romjin 1987), a special issue of *World Development* entitled "Beyond Survival: Expanding Income Earning Opportunities for Women in Developing Countries" (Grown 1989), *Women's Ventures: Assistance to the Informal Sector in Latin America* (Berger and Buvinic 1989), and a report on *Women and the Wealth of Nations* prepared by Rae Blumberg for the A.I.D. Office of Women in Development (Blumberg 1989a).

Official surveys generally have missed the kinds of businesses that women run or simply have defined them out of existence. Reliable data on women's actual levels of employment, unemployment, income, and overall contribution to national economies are poor or lacking in developed as well as developing nations. Many working women have defined themselves or have been defined by interviewers as unemployed housewives; published employment and business data seldom have been sex-disaggregated (See Dixon-Mueller and Anker 1988; U.N. 1989, Waring 1988).

Growing numbers of women are setting up their own tiny businesses, largely in the informal sector. This is the result of increasing labor participation of women in the context of national economic crises with budget deficits and growing unemployment, the limited absorptive capacity and difficulty of entry into the formal sector, the rising cost of living, and the growing percentage of households world-wide which are supported solely by women (Berger 1989, Collier 1988, Grown and Sebstaed 1989, van der Wees and Romjin 1987).

Microenterprise activities in the informal sector are important sources of income for women because of the ease of entry, more flexible hours and location of work, and fewer skills required than in larger businesses in the formal sector. Formal sector employment opportunities for women are often limited to marginal jobs with low wages, few fringe benefits, poor working conditions, and little chance for advancement (Berger 1989, Grown 1989, Tiano 1988).

However, informal sector livelihoods offer no access to social services or employment benefits and often entail harassment and demands for bribes from officers of the formal system on the grounds that they lack official registration for their operation (Ward 1990). Women-owned enterprises are usually among the smallest and poorest and comprise a large part of the informal sector, particularly in urban areas. In most settings, women's labor and business efforts are characterized by the invisibility of female economic roles, their part-time and intermittent careers, and the close relationship between their business and family

activities and resources (Downing 1990, Nathans Associates 1990, van der Wees and Romjin 1987).

There is now clear evidence that women who do have access to the benefits of microenterprise assistance programs perform as well as or better than their male counterparts in generating employment and operating their businesses. They generally perform better than men in repayment of the.. loans (Blumberg 1989a, 1989b, Otero 1989).

Some studies suggest that women are more likely to invest their income in the human capital of their children, for food, clothing, and education expenses, than are men who tend to spend more of their income on themselves, for items such as entertainment and clothing (Blumberg 1989a). Women's employment and entrepreneurial activities also provide a safety net for households during times of economic crisis (Clark 1985, Downing 1990).

Women entrepreneurs face many obstacles. Lack of capital, insufficient training and experience, as well as economic and technical problems and high transaction costs for joining the formal sector are faced by poor entrepreneurs in general. Women encounter additional obstacles such as: limited access to vocational training, particularly in high-productivity areas; lack of access to capital factors; extremely limited access to informal financial and information networks; legal barriers to owning assets or land or independently establishing a business; economic and technological factors which pressure women to enter the labor force but restrict them to low-productivity sectors; and institutional barriers which limit women's access to support services provided for small enterprises (Buvinic and Berger 1989, Downing 1990, Otero 1987a).

Not suprizingly, given their differing constraints and opportunities, male and female entrepreneurs often pursue different kinds of enterprise growth strategies based on gender specific motivations and constraints. Women generally diversify their portfolio of businesses in order to reduce risk, rather than specializing in a single activity and realizing the associated increase in productivity and value added. Where men make risk-taking investments, women tend to invest in more secure ventures to spread the risk of their husbands' activities (Downing 1990).

Despite women's great numbers and economic significance in the microenterprise area and their extra burden of constraints, assistance to microenterprises does not automatically benefit the women owners or employees of these tiny businesses. Projects may focus on sectors where women are not employed; service institutions may lack capabilities to reach and assist female clients; training may not include women or discuss special needs and qualities of

female entrepreneurs; training materials may not be gender sensitive; outreach may not target women (Clark 1989, Nathan Associates 1990, Otero 1987, van der Wees and Romjin 1987).

THE INSTITUTIONAL SETTING

As Britan and Cohen have observed, bureaucracies must cope with internal pressures and tensions among their component parts and interact with an external environment which can propel them to extinction (Britan and Cohen 1980:18). It is within this environment that development policies, programs, and projects are born and raised or buried. Characterizing this context, Kathleen Staudt titled her most recent book *Women, International Development, and Politics: the Bureaucratic Mire*. Analysis of the various levels of this critical institutional context can help the development planner learn from past mistakes in order to identify and circumvent potential bureaucratic obstacles to men's and women's participation in development efforts such as stimulating the growth of small and microenterprises (See Hoben 1982, Staudt 1985, 1989).

Tracing the recent institutional history of the integration of gender issues into small and microenterprise efforts in the Agency for International Development provides a good introduction to the systems and procedures therein as they affect the pathways by which A.I.D. assistance can reach the male and female entrepreneur. Particularly striking has been the constant change in the parameters of A.I.D. operations in response to congressional pressures, interest groups, shifts in foreign relations, and changes in agency leadership. This history also documents the sustained level of effort required to institutionalize gender awareness and analysis for a specific sector in a development assistance bureaucracy (see also Staudt 1985, 1989).

In recent years A.I.D. has become a leader in the donor community in both women and development and microenterprise development assistance. A.I.D.'s significant action in both areas began during the period of the "New Direction" legislation and the "human needs" emphasis of the 1970's, described in the Introduction to this volume.

Although A.I.D. provided some assistance to small businesses in the infrastructure-building 60s, it was the microenterprise research efforts and demonstration programs of the 70s that showed that small-scale enterprises offered possibilities for growth in developing countries that have been underestimated or ignored by development practitioners.

This challenged traditional assumptions about economic development that were based on export growth models and relied on the formal sector to absorb labor in the wage economy. It suggested that capital-intensive approaches to developing industry were more costly, not very productive, and difficult to sustain in developing countries. A.I.D. efforts showed that small scale enterprises were important components of rural nonfarm and urban economies that generated significant employment and value added. It also provided a model of assistance through private voluntary organizations which could help local nongovernmental organizations to help small entrepreneurs (Liedholm and Mead 1987, Hull 1989).

A.I.D.'s Small Enterprises Approaches to Employment (SEAE) project which began in 1978, aimed to identify approaches and design programs to improve employment opportunities and enhance the viability of small enterprises. One of the projects under the umbrella of SEAE was PISCES (Program for Investment in Small Capital Enterprise). PISCES investigated methods for providing assistance to enterprises owned by the poor. It was guided by the assumption that the poor would benefit from small loans and small amounts of technical assistance (see Ashe 1985a and 1985b).

The ARIES (Assistance to Resource Institutions for Enterprise Support) project followed PISCES in 1985. In contrast to the poverty alleviation thrust of PISCES, ARIES focused on management efficiency, cost effectiveness, and financial self-sufficiency. ARIES aimed to strengthen the capabilities of support institutions in developing countries to implement small-scale and microenterprise development programs (see Rhyne 1988 and Hull 1989 for further discussion).

Explicit attention to the integration of gender considerations in microenterprise development began during the ARIES project. Some background on A.I.D.'s Women in Development Policy is needed to explain how and why this came about. A.I.D.'s Women in Development Policy is based on the Percy Amendment to the Foreign Assistance Act which requires that U.S. bilateral assistance programs:

> ... be administered so as to give particular attention to those programs, projects and activities which tend to integrate women into the national economies of foreign countries, thus improving their status and assisting the total development effort (A.I.D. 1982).[9]

The Office of Women in Development was established within A.I.D. with the responsibility of guiding the Agency in the integration of women in development assistance and reporting to Congress on its progress (A.I.D. 1982, Staudt 1985).

Implementation of the Women in Development policy did not proceed rapidly in the bureaucratic environment of A.I.D. An evaluation of the institutionalization of WID policy in A.I.D., done in 1987, concluded that "AID's Women and Development Policy is not being implemented fully or vigorously and there is little enthusiasm and few incentives for doing so." Personnel within A.I.D.'s Bureaus and Missions viewed the A.I.D. WID policy only as a reaction to special interest politics, not as a serious development concern. Field missions varied greatly in willingness to integrate gender issues into their programs and projects (Development Associates 1987, see also Staudt 1985).

Concerned about the slow pace at which the integration of women into A.I.D. programming was advancing, in 1988, Alan Woods, the Administrator of the Agency at that time, issued an action memorandum to all senior staff requiring that A.I.D.:

- Ensure that country strategy, program, project, nonproject assistance and reporting documents explicitly describe strategies to involve women, describe benefits and impediments to women's participation in development and establish benchmarks to measure women's participation in and benchmarks from development activities.

- Collect sex-disaggregated data on all its research or data-gathering activities.

- Develop WID action plans for all bureaus and field missions.

- Train A.I.D. personnel about women in development, particularly in agriculture, natural resource management and environment, and private enterprise including small and micro-scale enterprise.

- Increase women's inclusion in participant training programs (Raney 1988).

In 1989, in response to interest group pressure, Congress further amended the Foreign Assistance Act to require that A.I.D. incorporate women as beneficiaries of and contributors to its development activities at the level proportionate to their participation in the sector or their representation in the total population, whichever is higher. Five million dollars of the FY 1989 funds allocated for A.I.D. development assistance were earmarked[10] for women in development activities.

During this same period, in response to interest group charges that U.S. foreign assistance was not doing enough to assist the poor, Congress enacted

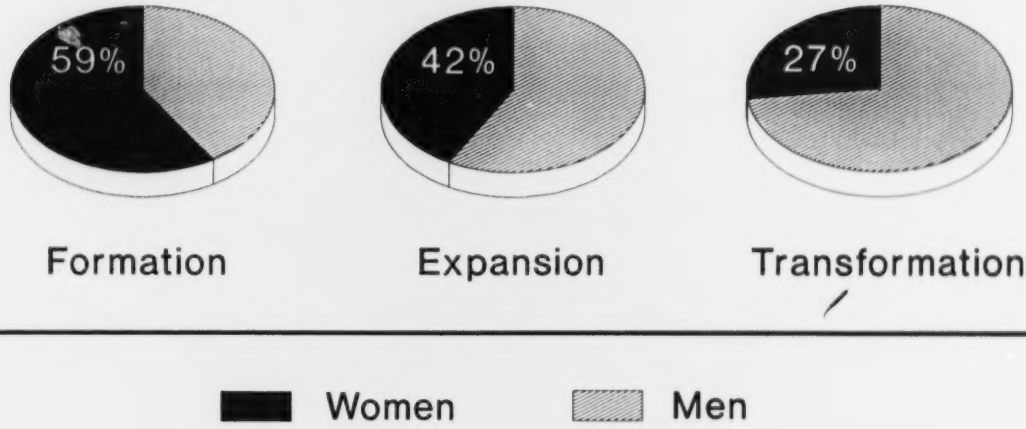
legislation in 1988 requiring that "not less that $50,000,000. shall be made available for programs of credit and other assistance for microenterprises in developing countries." The 1989 appropriations increased the earmark to $75 million. The conference report accompanying the appropriations legislation suggested that special attention was to be given to businesses owned by women and businesses owned by the poorest 20 percent in a country (A.I.D. 1988, Hull 1989). The "A.I.D. Microenterprise Development Program Guidelines," developed by the newly established Microenterprise Advisory Committee in October 1988, identified women-owned and operated enterprises as an important group that should be given access to at least 50 percent of microenterprise assistance resources in credit, technical support, and training (A.I.D. 1988).

The A.I.D. Office of Women in Development already had identified microenterprise as a priority area and had funded the conference that generated the papers in *Women's Ventures* (Berger and Buvinic 1989) and commisioned the preparation of guidelines for integrating women in microenterprise assistance activities *Gender Issues in Small Scale Enterprise* (Otero 1987a). Following the 1988 legislation, the Office has also played an active role in the A.I.D. working group on microenterprise which has representation from all the bureaus in the agency.

In 1989 A.I.D. conducted a stock-taking of its microenterprise activities for its report to Congress and in response to concerns expressed by the Microenterprise Advisory Committee (Hull 1989). As a result of the active participation of WID office staff in the design and review of the stock-taking effort, the results were gender-disaggregated.

The stock-taking concluded that A.I.D. used three different approaches to microenterprise assistance aimed at three types of beneficiaries. Women entrepreneurs were heavily clustered in one of the three types - assistance aimed at the world's poorest in the survival economy. This approach provides technical assistance and credit to help entrepreneurs start and operate microenterprises. The fewest women were reached by assistance aiming to transform microenterprises into larger businesses with more growth potential. This approach provides larger amounts of credit, training, and technical assistance. Assistance directed toward improving existing businesses also reached a considerable proportion of women (see figure one). The stocktaking report also showed that the proportion of women beneficiaries was highest in those A.I.D.- supported programs that: (1) specifically targeted women, and (2) targeted assistance to urban commercial microentrepreneurs - sectors having relatively high rates of female participation (Boomgard 1989).

Women and the Growth of Microenterprises



Data Source: Boomgard, James J. 1989. *A.I.D. Microenterprise Stocktaking: Synthesis Report.* Washington, D.C.: A.I.D./CDIE.

Graph Source: 1991. *Women in Development: A Report to Congress by the U.S. Agency for International Development.* Washington, D.C.: A.I.D./PPC/WID.

During 1989, the WID Office also commissioned an assessment of the ARIES project to provide guidance for the next major A.I.D. microenterprise initiative, the Growth and Equity Through Microenterprise Investments and Institutions (GEMINI) project (Clark 1989). Like many other projects of its era, ARIES lacked a strategy for ensuring women's access to relevant microenterprise assistance. The project design required neither gender analysis nor collection of gender disaggregated data during the life of the project. Few data were collected to enable of assessment of the extent to which women participated in and benefited from these projects, even those with specific WID components.[11]

LESSONS LEARNED FROM ARIES
Involving Women in Microenterprise Assistance[12]

• Sector selection for research and TA excludes areas where women work.	• Target some sectors where women are employed
• Local customs and institutions limit women's participation.	• Work with local people to assess women's roles and constraints in each location to determine how to best integrate them.
• Host country policies and regulations limits women's participation.	• Policy dialogue should present evidence of productivity lost; where possible, involve women in policy dialogue.
• Project staff donot collect or use gender disaggregated data.	• Budget funds for gender data collection analysis and provide TA; orient staff to gender analysis.
• Missions do not request integration of women in Microenterprise scopes of work.	• Be more proactive about importance of using gender analysis in projects to improve outcomes.

(Clark 1991)

The process of conducting the ARIES assessment also served to increase the attention given to gender in the activities undertaken during the project as well as afterwards. Some additional operational recommendations for improving the effectiveness of microenterprise assistance and increasing women's access to it, discussed during ARIES workshops, included collecting gender disaggregated baseline and project impact data on entrepreneurs (Clark 1989).

The ARIES assessment recommendations were incorporated in the design for the GEMINI project as a result of collaboration between staff in the Office of Women and Development and the Office of Rural Development where the document was prepared. The GEMINI project began in 1989 and will continue through 1994.[13] In addition to technical assistance and management training for service organizations, the GEMINI project also has a research agenda aimed at increasing understanding of the growth and dynamics of microenterprises at three levels: the macroeconomic level; the industry or subsector level, and the microeconomic level of the enterprise and entrepreneur.

Gender considerations are integrated into this agenda, with particular attention to incorporating female entrepreneurs into national economic growth processes. This will be guided by economic analyses of market demand, input supply systems, and competitiveness to identify the low-return, low potential subsectors that women now occupy and to identify the growth subsectors in which women have a comparative advantage. Gender analyses will identify the constraints and incentives that limit women's movements into more dynamic markets. Prior to this, neither the women in development nor the growth approach (noted earlier) had addressed this important point (Downing 1990).

Evidence of the effects of the effort to institutionalize gender considerations in A.I.D. microenterprise assistance appear in A.I.D.'s 1989-1990 Report to Congress on Women in Development. It states that: "Worldwide, USAID Missions have integrated women into a great variety of small and microenterprise projects, sometimes relying substantially on assistance from the WID Office and on key support projects, such as GEMINI" (A.I.D./WID 1991).

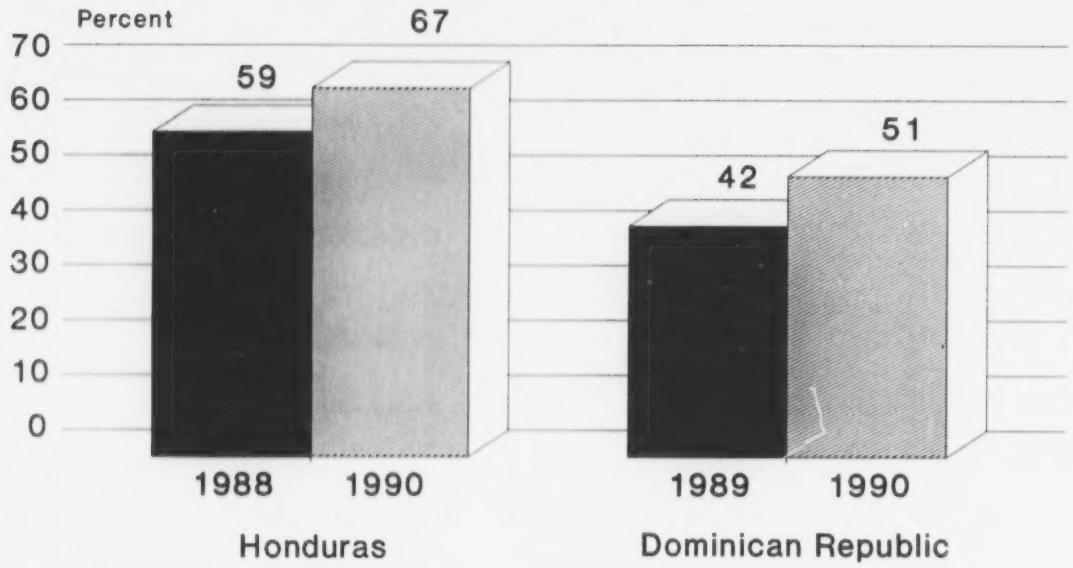
For example, the field mission in Honduras supports several small and microenterprise credit programs with flexible loan requirements that offer women opportunities to obtain financial resources otherwise unavailable to them. There has been an increase in the percentage of women borrowers from 59 percent in 1988 to 67 percent in 1990 (see figure, page 121).

Similarly, in the Dominican Republic, the percentage of small business loans to women increased from 42 percent in 1989 to 51 percent in 1990 (see the figure, page 121). Gender disaggregated baseline data show that 40 percent of the microenterprise owners in the country are women.

To enhance women's business opportunities in Malawi, a project supported by the A.I.D. Mission helped establish the National Association of Businesswomen. This nongovernmental organization will have a strong voice in promoting changes in institutional practices and policies that do not presently benefit women.

Increase in Women Borrowers

Small Business Loans
Supported by Two USAID Missions



Source: 1991. *Women in Development: A Report to Congress by the U.S. Agency for International Development.* Washington, D.C.: A.I.D./PPC/WID.

In Bangladesh between 1982 and 1988, the Women's Entrepreneurship Development Program made over 10,000 market interest rate loans to about 9,000 women for entrepreneurial activities. 82 percent of the project employees were women.

The Financial Institutions Project, established by A.I.D. in collaboration with the Government of Indonesia in 1984, provides very small loans ($36-$120) and slightly larger loans (averaging $400). The participation of women in the very small loan program is higher than in the small loan program (53 percent versus 24 percent) due to the lack of collateral requirements in the former and the availability of loans for working capital. The project has demonstrated that, when properly designed and administered, providing credit to poor and female entrepreneurs can be an effective way to stimulate business development (A.I.D./WID, 1991).

GENDER AND THE FUTURE OF MICROENTERPRISE ASSISTANCE

The shift in perspective from viewing women in development as a special interest to recognizing gender as an economic issue in microenterprise development assistance shows significant progress toward integrating people and recognizing human diversity in the A.I.D. development assistance agenda. Getting this far has required careful analysis of the possible pathways through the bureaucratic mazeway, taking into account congressional oversight and the interests of various constituencies.

The initial support from the Administrator of A.I.D. was critical to set the institutionalization process into motion in a broad sense. This support and that of the heads of Agency bureaus were actively pursued and gained by the Office of Women In Development. However this support had to be constantly maintained and reinstated with personnel changes. The WID action plans required by the Administrator provided a mechanism by which to help bureaus and missions to identify ways to integrate women into microenterprise and other program areas.

Interest groups contributed by providing pressure on congressional staff to specify women as an important group that should receive a fair share of the microenterprise assistance specified in the legislation. A few members of Microenterprise Advisory Committee also provided strong support. The interest groups continued to apply pressure on A.I.D. to ensure that women would benefit from the Agency's microenterprise assistance programs.

The technical expertise and active participation of WID office staff in the Agency working group on microenterprise and support from staff in other offices working on microenterprise were essential to affect Agency policy, while making the case for the importance of gender to key decision makers.

Using the earmarked funds, the WID office provided gender analysis training and technical assistance for mission staff in integrating gender into mission project and program design and thus carried the institutionalization process out into the field. This included a significant amount of technical assistance on project designs and monitoring systems for microenterprise assistance. In the field too, the support of mission leadership was critical to initiate the institutionalization of gender considerations in field operations. By providing funding for specific activities and by participating very actively with the centrally funded GEMINI microenterprise project officers and staff, the WID office expanded the pool of people integrating gender in technical assistance and research on microenterprise.

The establishment of WID working groups in the Agency created a network for widening the acceptance and utilization of gender issues by Agency decison-makers at all levels.

Mechanisms for the institutionalization of gender in A.I.D. development decision-making are in place, particularly in the area of microenterprise. However, the process is far from complete. The mechanisms for institutionalization need to be maintained and refined. Many new challenges lie ahead, particularly in the area of monitoring and impact evaluation systems that take into account gender considerations and track gender disaggregated indicators (see Britan in this volume).

In summary, women play important roles in microenterprise but often assistance in the past left them out, failed to take into account their special constraints and skills, or treated them as welfare cases rather than as entrepreneurs. Institutionalization of gender consideration in A.I.D. strategic decision-making about microenterprise assistance is essential to ensure that female as well as male entrepreneurs have the opportunity to use development assistance to improve their lives and those of their families. Integrating women into micro-enterprise projects and programs requires careful analysis of the different levels of the institutional environment in which men and women operate, including that of the donor bureaucracy. However, this is a long term process. It requires: persistence in maintaining support from Agency leaderships; gender analysis training for awareness and skill building; active participation in Agency decision-making groups, building networks of Agency technical staff who use and promote gender analysis; persuasive technical assistance; integration of gender

disaggregated data collection and analysis in Agency systems of reporting, monitoring, and evaluation. It is clear that a great deal has been accomplished and that many challenges remain.

INSTITUTIONALIZING GENDER IN MICROENTERPRISE ASSISTANCE

- Procedures and systems must be established and carried out to ensure regular consideration of gender concerns in the overall A.I.D. and host country development processes.
- Program and Project design must integrate women and provide indicators for monitoring progress toward that goal during project implementation and in project evaluation.
- Policy dislogue must examine the extent to which the policy and regulatory environment differentially affects men's and women's options and productivity.
- People must demonstrate sensitivity to gender differences in constraints and opportunities and recognize how women's integration can contribute to broad baed sustainable economic growth;
- Practices and traditions of local people, regarding gender roles, msut be understood, respects, and built upon. Conversely, it is important to examine the cultural assumptions and preconceptions carried to the host countries and to assure that they are not in conflict with the effective integration of women in activites in that setting.

NOTES

1. The author is a consultant to the Agency for International Development (A.I.D.) Office of Women in Development, through Labat Anderson Incorporated. The views expressed in this article are those of the author. They do not represent either the Agency for International Development or Labat-Anderson Inc.

2. The author extends thanks to Melody Bacha, Ross Bigelow, Kay Davies, Jeanne Downing, Michael Farbman, Tulin Pulley, and Tom Timberg for their comments on an earlier draft of this paper.

3. According to the "Microenterprise Development Program Guidelines" of the Agency for International Development, there is no precise definition for a microenterprise. The working definition given is that microenterprises have no more than 10 employees. Special emphasis is placed on small-sized and individually-owned productive activities. But this definition does not exclude community-based firms such as poor women's cooperatives with 20 members (A.I.D. 1988).

4. See Granovetter 1990 for a detailed discussion of the history and logic of the neoclassical economic theory of the firm's exclusion of the entrepreneur and the social ties that affect his or her business dealings. He also discusses examples of models from the anthropological literature which are better suited for analyzing the social embeddedness of the economic action of the entrepreneur. See also Granovetter 1985. See Acheson and Wilson's use of the New Institutional Economics to develop a model for the growth of firms that takes into account social factors which affect market efficiency and organizational costs, which in turn affect capacity to use technology, capital, and human resources.

5. Gender refers to the socioculturally defined economic and social roles of men and women, as distinguished from sex which refers to their biological differences. Gender analysis refers to the systematic assessment of gender-related factors (such as male and female roles, responsibilities, and access to and control over productive resources) in terms of the ways in which they may affect and be affected by development policies, programs, and projects (see Carloni 1987, Otero 1987, White et. al. 1986).

6. See for example: Acheson and Wilson 1989, Barth 1963, Bohannan, Paul and George Dalton eds. 1962, Firth and Yaney 1964, Geertz, 1962, Shipton 1989. See Granovetter 1990 for a review of a good part this literature.

7. The informal sector refers to the unregistered, uncounted businesses that operate outside of the formal economic and legal system, such as money lenders and street food vendors. While many of the business in the informal sector are microenterprises, the two terms are not synonymous. One is defined in terms of the relationship of businesses to the formal institutional framework; the other by size of enterprise. Debates continue about the nature of this sector and whether it reflects economic or institutional maladies of the formal system.

8. For further discussion see: Berger and Buvinic 1989, Blumberg 1989, Chen 1989, Clark 1985, 1986, 1990, Commonwealth Secretariat 1989, Dixon-

Mueller 1988, Downing 1990, Grown 1989, Otero 1987, Reifenberg 1990 b, Schultz 1990, U.N. 1989.

9. See Staudt 1985 for an excellent and detailed account of the political maneuvering that was done to put the Percy Amendment in place.

10. Earmarked funds are those set aside for specific uses. In the FY 1991 foreign aid appropriations to A.I.D. by Congress, in addition to women in development, funds were earmarked for agriculture and rural nutrition, population, health, AIDs, education and human resource development, private sector, environment and energy, international disaster assistance, the economic support fund, microenterprise, the development fund for Africa,and other assistance such as displaced children, victims of war and biodiversity. A.I.D. is required to report on these earmarks and demonstrate that the funds were spent as intended by Congress.

11. Out of 37 ARIES technical assistance activities to A.I.D. field missions, only six had WID components, that is, the scope of work included activities assisting or evaluating the integration of women in their programs. An additional eight provided gender disaggregated data or discussed gender constraints and opportunities (Clark 1989).

12. See also: Berger and Buvinic 1989, Downing 1990, Grown 1989, Otero 1986, White et. al. 1987.

13. The GEMINI Project aims to: (1) increase the output and efficiency among existing and new microenterprises, leading to increased income and employment for owners and workers; (2) enhance the effectiveness of microenterprise assistance programs and policies carried out by AID microenterprises in developing countries through expert services; and (3) provide leadership in A.I.D. for microenterprise development assistance.

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THE DEVELOPMENT FUND FOR AFRICA: NEW OPPORTUNITIES FOR ANTHROPOLOGY IN A.I.D.

DAVID W. HESS, PH.D.*

THE DFA: BORN OF DISAPPOINTMENT AND FRUSTRATION

The Agency for International Development (A.I.D.) received a new mandate for its work in sub-Saharan Africa with the passage of legislation establishing the Development Fund for Africa (DFA) in 1987 (Congressional Record, December 21, 1987). The DFA is a special appropriation with specific legal requirements governing all of A.I.D.'s activities in sub-Saharan Africa. The DFA was further codified and given permanent legal authorization in the Foreign Assistance Appropriation Act for Fiscal Year 1991 which began on October 1, 1990 (H.R. 5114).

The 1987 legislation eloquently explained why Congress took the extraordinary step of "earmarking" or creating this special account:

> The first twenty-five years of independence has seen little real improvement in the quality of life for the vast majority of Africa's people...The causes for Africa's poor economic performance are:...the pursuit of inappropriate economic policies, often exacerbated by donors and adverse developments in the world economy over which African nations have little control; rapid population growth; recurring natural disasters and the resulting erosion of the natural resource base; resource constraints that have inhibited the full development of human resources; conflict and instability; and the legacies of colonialism (Congressional Record 12/21/87:H12674).

*The views and interpretations expressed in this paper are those of the author and should not be attributed to the Agency for International Development.

The reasons articulated by Congress were part of a generally perceived failure by A.I.D. to make any meaningful progress in improving the lives of Africans. This perception was a logical culmination of the public debate about development going on in the 1980's. Many writers, social scientists prominent among them, have long questioned foreign aid in general and A.I.D.'s programs in particular, as seen in works on dependency theory and political economy. The debate of the 1980's was generated by a reexamination of our most basic foreign aid policies, goals, and capabilities by politicians, business people, and development workers as well as academicians.

Many observers saw the development record of the 1980's in sub-Saharan Africa as depressingly bleak. The social and economic effects of debt, famine, failed policies, and lost economic opportunities hit country after country. It became clear that a great deal of international debt would be essentially unpayable, seriously threatening the stability of the international financial system. The demand for goods and services dropped sharply, further straining world economic stability.

African nations were hard hit by the combined effects of debt and natural disasters. Massive famine and drought exacerbated by civil and international war led millions of Africans to leave their homes and become refugees, overtaxing the already precarious economies in receiving countries. The international community responded with an outpouring of volunteer action and the collection of millions of dollars in private contributions.

Another indicator of the depth of public feeling about the crises in Africa was the clearly articulated doubt about the utility and effectiveness of foreign aid. The DFA legislation codified the doubts about whether any results had been achieved from millions of dollars spent over almost three decades in the pursuit of bettering Africans' lives.

DFA DEVELOPMENT ASSISTANCE IN AFRICA: AIMED AT IMPROVING AFRICAN PEOPLES' LIVES

In the early to mid-1980's many African governments and foreign aid organizations launched initiatives to address what was perceived as a growing economic and social crisis. With the support of the International Monetary Fund's Structural Adjustment Facilities and the World Bank's Structural Adjustment Programmes and sectoral adjustment loans, African governments began to carry out economic recovery programs that drastically altered the directions in which their economies were headed. Bilateral, or government to

government, donor organizations such as A.I.D. also supported a wide range of broad economic policy and sectoral policy reforms.

Congress established the DFA, in part, to show the long-term U.S. commitment to governments that were reforming their economic policies and political processes, and to allow the program in each country to be more responsive to local conditions:

> The need for a process of long-term development in Sub-Saharan Africa that is equitable, participatory, environmentally sustainable, and self-reliant remains compelling. To achieve these objectives..., there must be fundamental changes in U.S. assistance programs for Africa...an assured and stable source of funding for (development assistance in) Africa... and authority to implement programs in Africa in a more flexible manner (Congressional Record 12/21/87:H12674).

These fundamental changes meant that A.I.D. faced an enviable but nonetheless complex challenge for a large international development bureaucracy - to **rethink and reorient its basic objectives towards the achievement of meaningful, sustainable, and measurable improvements in African peoples' lives.** In order to refashion its organization and procedures to achieve and report on those objectives, A.I.D. defined four basic programming principles for DFA implementation:

- **Establish priorities** among the African countries where A.I.D. works by programming the bulk of its limited assistance resources to those countries which: (1) are achieving tangible progress in redirecting management of their economies, (2) represent significant concentrations of population, and (3) need assistance and are experiencing continuing difficulties in providing basic services to their people as measured by indicators such as infant mortality and literacy rates;

- **Focus on a limited number of problems** in those priority countries in order to reduce the dispersion of its efforts and achieve meaningful results in improving African peoples' lives in those countries where A.I.D. can make a difference;

- **Concentrate the resources which A.I.D. can bring to bear** (ie. its funding, personnel, and commodities) on those areas of focus where it is judged that A.I.D. can achieve meaningful results;

- **Measure, evaluate, and report results** which indicate A.I.D.'s performance in making a difference in Africans' lives.

A.I.D. developed a sub-Saharan Africa plan of action which laid out an overall goal and four primary "strategic objectives" for its development assistance in Africa through the early 1990's. The plan serves as a general guideline for A.I.D.'s field offices or missions to create a common vision or, anthropologically speaking, a world view. The overall goal is to achieve broad-based, sustainable, market-led economic growth. The strategic objectives are:

- Improve the management of African economies by redefining and reducing the role of the public sector and increasing its efficiency;

- Strengthen competitive markets to provide a healthy environment for private sector-led growth;

- Develop the potential for long-term increases in productivity and;

- Improve food security.

In any given priority country, the A.I.D. program will most likely deal with only one or two of these objectives. The objectives selected are intended to reflect and make sense within the social, cultural, political, and economic dynamics, behavior, and institutions of each country. Once they have defined their strategic objectives, the A.I.D. missions develop their country programs applying the four DFA programming principles: 1) establish priorities, 2) focus on where they can improve peoples' lives, 3) concentrate their resources to make those improvements, and 4) measure, evaluate and report on their performance in achieving their objectives, and in contributing to the overall improvements in the well-being of that country's citizens.

Before discussing how anthropologists and other social scientists can contribute to A.I.D.'s work in implementing the DFA, I want to report briefly on how the creators of the DFA, the U.S. Congress and their watchdog agency, the General Accounting Office (GAO), have rated A.I.D.'s initial efforts. At the request of Rep. David Obey, the GAO was tasked to assess how A.I.D. was implementing the DFA by investigating changes in A.I.D. behavior and performance in Washington and selected field missions. Performance was, as much as possible, to be judged on whether A.I.D. was improving Africans' lives. Throughout 1990, the GAO performed this general program audit. While the final report had not been published as of early 1991, preliminary findings were included in the House Appropriations Committee Report on Africa-related

portions of the 1991 Foreign Assistance Appropriations bill. The Committee stated that they were encouraged by:

> preliminary findings of the GAO that suggest the DFA has had a number of positive effects...including: improved project planning, more timely obligation of funds, a somewhat greater concentration of limited resources in those countries where economic performance is good, more innovative integration of project and non-project assistance by missions, greater attention to social and environmental impact of programs, and more effective coordination of DFA resources with resources provided by other donors, host governments, and non-governmental organizations (House Appropriations Committee Report on FY 1991 Foreign Assistance Appropriations Bill, p. 28,88).

The Committee noted that the GAO felt that A.I.D. was just starting to implement a system to measure impact of policy changes on development. The Committee expected A.I.D. to move forward on this effort. It was clearly stated in the report that, while A.I.D. is working hard to make positive changes in Africans' lives, it has only begun to identify and track those changes.

One measure, some say the ultimate measure, of Congressional interest in and judgment of U.S. government programs is the funding it provides. By that yardstick, the Congress sent an unambiguously positive signal to A.I.D. when it provided **more than a 40% increase in funding for the DFA in Fiscal Year 1991 above what the Executive Branch had requested.**

Foreign assistance traditionally has very little support from constituents or lobbies. Increases of such magnitude (more than 40%) most often come in politically sensitive or pork barrel programs. The Congressionally-mandated increase was made because "no other region in the world faces as severe a development crisis... (related to) poverty, hunger, low primary school enrollment rates, high infant and maternal mortality rates, high population growth rates, and fast growing debt". The Committee report cited above found that "Africa's development crisis is deepening and presents extraordinary challenges and the U.S. must play an important role in addressing them".

While this somber rationale is no cause for satisfaction, Congress expressed general satisfaction, for the moment, with how A.I.D. is revamping its thinking and behavior in order to be more effective in attacking the tremendous problems of Africa in the 1990's. A.I.D. intends to continue to improve its performance in achieving and reporting on its impact on the lives of Africans, but

a real start has been made. And social scientists can help A.I.D. make more progress in Africa as it works with Africans to reverse the dismal trends and take advantage of the opportunities for better lives.

DFA PROGRAM PLANNING AND MONITORING, EVALUATION, AND REPORTING: BRACHIATING THROUGH THE OBJECTIVE TREES

To see where social scientists are already contributing and where they can do more as A.I.D. implements the Development Fund for Africa, I want to briefly introduce how missions in Africa are changing the way they conceive of the constraints to and opportunities for economic and social development in the countries where they work. The main conceptual tool used is the **objective tree, a graphic display of cause and result** which allows planners to pull apart and analyze the complex realities faced in Africa. While the objective tree is a tool which can be considered simplistic because it is based on unidirectional causality and does not elegantly explicate feedback relationships, it nonetheless is proving its worth for A.I.D. in Africa.

The objective tree begins with a statement of either a problem or an objective (see Figure 1). Then you ask **how** was that problem created or how would that objective be acheived. The answers are placed at the level below the first "box" or statement. As each problem or objective box is defined, you ask **what else** can be identified as a cause at that level - what else answers the how question. As you keep identifying causes, you are looking for the **necessary and sufficient** elements which lead to the outcome stated in the box above. If you start at a lower level on the objective tree, you ask **so what or why** as you work your way up an objective tree in order to understand what the aggregated outcome of the various necessary and sufficient elements would be.

The objective tree itself is not a new tool in the planning and management of A.I.D.'s development projects or of other organizations. For A.I.D., the famous "Logical Framework" or project logframe contained an objective tree as its organizing principle (see Figure 2). Put simply, a partial objective tree in the "Narrative Column" of the logframe identified the inputs provided in a project which produced outputs which in turn led to achieving project purpose contributing to achievement of the project goal. Easily forgotten in applying the project logframe was that all of the events or conditions listed in its "Assumptions" column had to necessarily be true in order to provide sufficient conditions to allow the achievements at each level above.

DFA program planning in A.I.D.'s African missions starts by building objective trees which identify an overarching goal for development in that country and then disaggregates the necessary and sufficient elements required to achieve that goal. I will not review here the kinds of goals which have been identified in those objective trees except to say that they mostly all speak of achieving sustainable, broad-based, market-led economic growth and improvements in the quality of life. The objective trees are eventually pruned as the A.I.D. mission constructs its Program Logical Framework (see Figure 3). The Narrative Column is topped by the Program Goal, followed by any Sub-Goals, then the Strategic Objectives and Targets. This column focuses exclusively on those elements which the A.I.D. program will try to achieve. The other necessary and sufficient elements at each level are included in a column just to the right of the Narrative so they will be readily remembered and monitored. Indicators of progress in the achievement of each level are also identified, a point to which I want to return later.

A.I.D. is genuinely trying to identify all important necessary and sufficient elements which need to be changed or at least monitored as development strategies are planned, implemented, and evaluated, and as results are reported. This comprehensive approach is congruent with the approach considered one of the great theoretical underpinnings of anthropology - **holism**. A.I.D. development practitioners trained in anthropology are dusting off that long-held way of seeing the world and presenting it to their colleagues as the most effective way to see the messy and complex set of challenges and possibilities in African countries. As noted above, perhaps the cybernetic thinking which has advanced anthropology's venerable holism makes objective trees appear simplistic. However, the fact that annually $800 million of U.S. Government foreign assistance will be programmed according to principles which are highly compatible with anthropological thinking indicates real improvement in foreign aid administration and confirmation of the utility of those principles.

ANTHROPOLOGISTS AND THE DFA: CONTRIBUTIONS IN PLANNING, MEASUREMENT, AND INTERPRETATION

There are at least two specific areas where anthropologists can contribute to the implementation of the DFA. The first is the challenge of holistic planning just discussed. There is no dearth of factors which A.I.D. traditionally considered related to macro-economic questions. Exchange rates, pricing regimes, trade and tariff policies, budget and fiscal questions, and the financial sector are relatively well understood. **Less clear are the social, cultural, and institutional structures,**

behaviors, and values which frame the discourse and provide incentives for the society in general.

A.I.D. has made partial progress in including these factors in its project design and implementation work, and is now, certainly in Africa, trying to understand them better in its overall strategy identification discussed above. One specific means of providing this information and analysis is through the Social and Institutional Profile (SIP). The SIP is a thorough-going review of social, cultural, and institutional questions which normally involves anthropologists and/or sociologists and political scientists at a minimum. The document provides background and directions in A.I.D. for overall program strategic planning and the filling in of objective trees as well as project planning.

Anthropologists can also contribute to DFA implementation by participating directly in the strategic planning of an A.I.D. mission. In the last two years(1989-90), anthropologists have been team leaders or members in eleven DFA program planning exercises, either as consultants or A.I.D. staff, based in Washington and overseas. That means that about half of the top twenty-three A.I.D. programs in sub-Saharan Africa have included anthropologists on teams which have worked with mission staffs to identify the basic objectives and, thus, the basic directions of U.S. foreign assistance in those countries. Those anthropologists have varying professional backgrounds and experiences and come from several sub-fields in anthropology. However, their special qualifications derive principally from the holistic approach which is so central to the discipline. The upcoming work which will continue to refine and improve DFA implementation will include anthropological input.

The second major way that anthropologists can contribute to work on the DFA is through the identification of meaningful progress in the achievement of A.I.D. program objectives, especially those objectives which are **indicators of improvements in the lives of African people, or People Level Impact.** Anthropologists have an advantage in identifying and tracking such changes because of the intensive, long-term data bases created through their research. I want to emphasize that these indicators can include qualitative as well as quantitative indicators - indeed A.I.D. needs to give more consideration to qualitative indicators. Quantitative indicators of progress in family planning, public health, transport sector growth, and in economic output and other economic areas are becoming better understood and accepted. Anthropology could substantially advance our understanding of the qualitative dimensions of development progress, especially in sub-Saharan Africa. At the same time, anthropologists can also very usefully contribute to the identification and measurement and analysis of quantitative indicators.

Finally, anthropologists can contribute to the interpretation of data necessary to judge the directions in which economic and social development trends are taking African societies. In the not-too-distant future, A.I.D. must interpret and draw conclusions from its hopefully rich lode of DFA impact reporting. **Anthropologists should logically be in the forefront of those who could be called upon to answer the "so what" questions.** In the recent applied anthropological literature, this is often referred to as making the micro-macro linkages. For example, so what if the indicator changes show a trend in lowering fertility, increasing employment, and increasing agricultural exports - what does that mean in changes in the prospects for the people of the country? While highly general, these are the kinds of questions A.I.D. will ultimately have to explore in justifying and explaining its work in Africa to the American people and the U.S. Congress. There are now, and most likely will continue to be, opportunities for anthropologists to help A.I.D. think more inclusively and, hopefully, wisely in understanding the problems and opportunities in the countries where it is working in Africa.

FIGURE 1

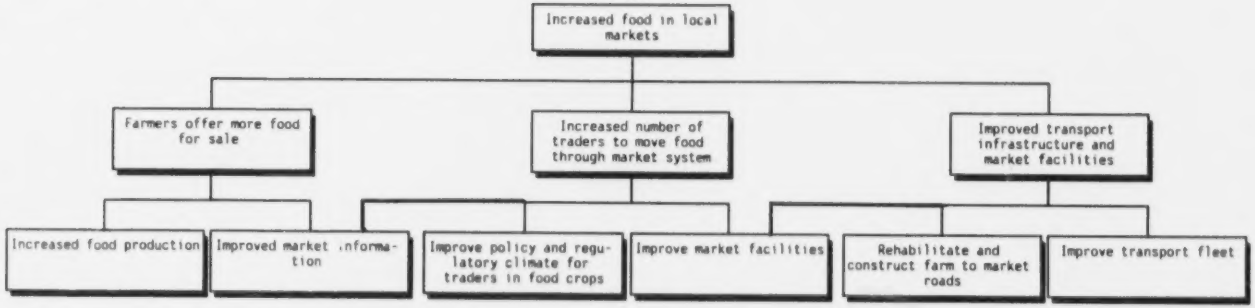
Increased food in local markets
Farmers offer more food for sale
Increased number of traders to move food through market system
Improved transport infrastructure and market facilities
Increased food production
Improved market information
Improve policy and regulatory climate for traders in food crops
Improve market facilities
Rehabilitate and construct farm to market roads
Improve transport fleet

FIGURE 2

PROJECT LOGICAL FRAMEWORK

Narrative	Indicators	Menas of Verification	Assumptions
Goal:			
Purpose:	**End of Project Status**		
Outputs:			
Inputs:			

FIGURE 3

PROGRAM LOGICAL FRAMEWORK

NARRATIVE	OTHER NECESSARY & SUFFICIENT FACTORS	INDICATORS	SOURCE OF DATA/ RESPONSIBLE COLLECTOR
GOAL		COUNTRY TREND	
SUB-GOAL			
STRATEGIC OBJECTIVE		PERFORMANCE	
TARGET			
SUB-TARGET			

PRACTICING THE ANTHROPOLOGY OF DEVELOPMENT: COMMENTS ON "ANTHROPOLOGY AND FOREIGN ASSISTANCE"

ROBERT McC. NETTING

"Applied anthropologist." It has an archaic ring and has long since gone the way of the dodo, to be replaced by the more professional (and somewhat more tentative and less arrogant) practicing anthropologist. But the modern moniker also denotes a healthy skepticism about the comprehensiveness of theory in social science and the ease of withdrawing the appropriate model from our existing kit bag and mechanically "applying" it. This coincides with a declining confidence in the old interventions, the large-scale capital intensive infrastructural projects of the sixties, and the fixation on short-term projects with quick-fix results that Gerry Britan mentions. In fact, the new structural adjustment and privatization rhetoric may be anti-interventionist, trying to get both national governments and international agencies to stop some of the things they are doing in the name of development–distributing subsidized fertilizer that arrives too late for the planting season, keeping urban food prices so low that farmers can't make a buck, appropriating scarce land through the rice paddies (without reimbursement) to make field roads where foot paths sufficed, and dumping pedicabs in the ocean because taxis are more modern.

Yet for all the talk of entrepreneurial autonomy, common property institutions, and low-energy indigenous technology, at some fundamental level, many western-educated elites and social scientists do not believe that (1) traditional knowledge and social organization provided highly effective means of sustainable food production, labor mobilization, and risk reduction, and (2) these solutions can be locally adapted to environmental fluctuations, increasing

market involvement and price changes, and population growth. For example, a resource economist of small-scale fisheries who has come around to the idea of limiting open access by "territorial use rights in fisheries" (TURFS) still accuses anthropologists of advocating MSA, maximum sustainable anachronisms. He suspects that user groups of villages or associations lack the capacity to establish effective rules, enforce them fairly, monitor the resource, and interact with extra-local marketing and governmental bodies. He contrasts various national plans, the conflict over innovations like trawlers, and central policy changes, but he has trouble imagining the variety of local institutions that have evolved to meet the problems of fishermen, and their ability to adapt to changing circumstances in ways that are rational but different.

This is precisely the anthropological turf, what several authors in this issue call our comparative advantage. We have the training and experience to assess existing groups where economic decisions are made and where corporate structures constrain and coordinate behavior. Economists may model principles of abstract, generalized households, but they very seldom collect data on household production and consumption, how earnings from the informal economy are pooled, dowry and property inheritance, age and gender factors in the developmental cycle, and the farming system differences within a community that Peggy Barlett (1982) and Gillian Hart (1986) show are predictably related to household access to land resources. As Boyle and Britan point out, and as Rick Wilk (1989) has recently emphasized, the household cannot be treated as an undifferentiated "black box," and the choices of labor allocation, land acquisition, and purchases of goods, education, and medical services made there have a long-term logic, often crossing the generations, that cannot be captured in notions of short-range individualistic maximization. Even rapid appraisal and stratified random interviews can illuminate processes of pooling, migration and remittance, marriage and household formation that are intimately associated with the price of yams and petrol, the size of school fees, and the land tenure laws enforced by the courts. If we are to take Mason's suggestion and see secondary cities as potentially providing the marketing, transport services, and non-farm employment that stimulate development rather than as depressing sink holes for the rural poor, we must find out from household members why they decided to migrate and how they create institutions that make urban life not only survivable but attractive. From household survey data and analysis, we must take our insights on human welfare and equity to the policy table where, as Boyle makes clear, the macroeconomists' growth discourse maintains its hegemony.

Because of variation between and within communities, we have to be practical ethnologists, comparing cases in space and historical time to expose the actual functioning of real systems. The goals of macro policy reform, such as removing fertilizer distribution from the parastatal to the market or letting

independent traders buy cocoa instead of the marketing board, may be straightforward and widely accepted. But who has the requisite bookkeeping skills, can the clan be a credit union, is the irrigation society or the alp association able to become a cooperative handling agricultural inputs? Scratch an anthropologist and you find populist sympathies, but coherent economic analysis of how existing local institutions work and their potential for change is what gives sense to our sentiments. And such analysis is conservative only in the sense that it recognizes how cultural conventions and expectations when still vibrantly intact can give people the confidence to introduce, voluntarily, quite radical change.

We must beware of our own biases in favor of persistent cultural meanings and traditional social continuity, in addition questioning the received wisdom of dependency theory, e.g., that women are always relegated to domestic production and out of the cash crop sector, or that capitalist penetration leads to a polarization of big land owners and a landless rural proletariat. The anthropological edge is still that on-the-ground, garden variety research that tells us what is happening in the field and what the range of variation is. Until some other discipline decides that for certain purposes micro-level data are preferable to large-scale, aggregate bureaucratically assembled statistics (showing, for example, that Nigeria is mired in a food crisis with amazingly few outward signs of malnutrition), we will be the sole suppliers of the kinds of basic information that, as Pat Vondal asserts, can qualify the assumptions of macro-economic theory.

For some questions such as the participation and economic contribution of women in microenterprises, the requisite baseline statistics don't exist. Mari Clark shows that in both AID project designs and in host country small business development plans, gender issues were often overlooked until recently. Cultural relativism and political expediency may allow sexist bias to affect data gathering and slant recommendations. Anthropologists can show that women's businesses generate employment, repay loans, and support children's education, but female entrepreneurs don't count unless they are counted. That women go about being rational maximizers in ways different than those of men is, as Philip Boyle emphasizes, a lesson many economists have yet to learn.

Some years ago, Alan Hoben (1980), from the vantage point of AID, pointed out that bureaucrats are at least as rational as peasants, and as emphasis shifts to policy reform, attention to the organization and individual career goals of government agencies may necessarily increase. To facilitate a devolution of control and power from government agencies to individual householders, associations, and local communities means disturbing official hierarchies rooted in colonialism or strongly entrenched economic interests. Can we and the political scientists and economists do the institutional analysis that Vondal and Clark recommend in order to demonstrate better uses for our subsidized

bureaucratic person power and reduce the transaction costs of the licenses, restrictive laws, and graft that officials use to restrict growth and indirectly stimulate the informal economy? Questions of power, authority, and accountability that we have grappled with since Weber are still awaiting answers.

A monopoly instituted by a businessman may be just as deleterious as a public, state-level monopoly. We need to distinguish the economic inequality that occurs in every development situation as a result of individual management, labor, and capital differences from that derived from political pull and special legal advantages. This implies learning how successful traders or farmers got that way, and why some ethnic groups or local populations transform themselves better than others. Vondal's key question of whether undeniable inequality of wealth means lack of economic mobility and inequity of access to resources cannot be answered from theory and yet it can be investigated empirically. We can measure both stratification and mobility to determine if inequity is indeed growing.

Institution building is not a constant, and, as Robert Wade (1988) demonstrates for South India, communities at the head and tail end of a single irrigation system can have functionally distinct corporate mechanisms for regulating and protecting scarce resources. Officials may not believe that the villagers have their own regulations to limit firewood cutting or that urban ragpickers organize their scavenging in ways that David Hess calls "quintessentially rational." The government employee at his urban desk may at the same time own an orange grove and cassava garden in the country, support kin being schooled in town, go weekly to the new house he is building on the parental homestead, and belong to a native sons' union in the city. A "rural-urban divide" categorization does not catch this diversity, as John Mason stresses, and conceptually it gets in the way of understanding what indeed motivates the bureaucrat/farmer in his variety of roles. How does the public man function in the private sector, and does his on-going rural experience affect his view of policy?

Governmental institutions closer to home, as well as fledgling interest groups concerned with the environment, are valid objects of an action-oriented anthropology. An informed grasp of the way in which American public reaction to global warming due to anthropogenic greenhouse gases can translate into Congressional policy making was, as Katy Moran demonstrates, a key first step in making sustainable development a relevant concept in foreign assistance. Where no formal organizations exist in government or in local communities to deal with emerging problems of energy efficiency and conservation, anthropologists can recognize and facilitate the NGOs here and abroad that monitor

processes like deforestation and propose alternate indigenous or innovative low-energy technologies.

Are anthropologists going to be at the forefront of planning policy reform and structural adjustment in AID in the light of new legislation and an already changing mission? The other authors can answer that question better than I, but I don't think so. The grand emerging design of national institutional change follows a formula that seems obvious to the macro-economists and political economists, and they already have the clout. But they either can't or won't tell you about the economic choices people are in fact making, the daily allocations of labor time, the saving and spending of cash, the making of rules and monitoring of behavior, that goes on in face-to-face corporate groups from the household through the work group or village to the microenterprise and the government bureau. Implementation does not go on in a void--or a black box. It occurs on an uneven cultural and political playing field. If policy changes and privatization present more options at the local level, these decisions from below will become more important. There will be a greater variety of social experiments and problem solving. We think that non-Western people have always had functional, comprehensible social institutions, and we believe in their creative capacity to adapt and change. Our analysis of how choices, preferences, and indigenous institutions can and are coping with the new constraints and options is an indispensable contribution.

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NOTES ON THE CONTRIBUTORS

PHILIP BOYLE carried out Ph.D. anthropological research on the agro-pastoral economy and social structure of a Central Moroccan population. Boyle has served in a variety of social science positions in the design, management and evaluation of development assistance projects in Asia, Latin America, sub-Saharan Africa, and North Africa. His most recent focus has been the social and micro-economic effects of economic reform. Prior to his present position as an independent consultant, Boyle was a senior social science analyst in the Office of Women in Development, Bureau for Program and Policy Coordination at the Agency for International Development in Washington, D.C.

GERALD M. BRITAN is a senior social scientist and chief research methodologist in the Agency for International Development's Program and Policy Evaluation Division. Since receiving his Ph.D. in ecological anthropology from Columbia University in 1974, he has split his professional career nearly equally between government and academia, teaching at Northwestern University, serving as Associate Dean of Graduate Studies and Research at Southern Illinois University, and working as a senior evaluation analyst at the USDA, before joining A.I.D. in 1984. He has conducted field research in Canada, Africa, Asia, and the United States, focusing on economic decision making, socio-cultural change, organizational behavior, evaluation methodology, and the dynamics of bureaucracy. Dr. Britan has published numerous articles and reports and several book in these fields, including Hierarchy and Society: Anthropological Perspectives on Bureaucracy (co-edited with Ronald Cohen) and Bureaucracy and Innovation. Most recently, he has been developing improved systems for measuring the performance of A.I.D.'s programs as a basis for more strategic management for development results.

MARI CLARK is a long term consultant to the Office of Women in Development (WID), Agency for International Development, through Labat-Anderson Incorporated. In the WID Office she serves as evaluation coordinator and liaison for Eastern Europe. She holds a Ph.D. in economic anthropology and an M.Ed. in educational media from the University of North Carolina at Chapel Hill, where she taught in the Women's Studies Program and worked on the staff of the Program for International Training in Health (INTRAH). She also holds an MA in anthropology from the University

of Pennsylvania. Her work for the World Bank included an assessment of survival strategies of the poor in Kenya. Her chapter in the present volume entitled "Gender Issues in Microenterprise" is based in part on her review of the ARIES (Assistance to Research Institutions for Enterprise Support) project for the A.I.D. WID Office through Nathan Associates.

DAVID W. HESS performed Ph.D. anthropological research in Bolivia where he examined decision making used by highland Indians in relocating to planned settlements in the lowland forest area. Hess has been a foreign service officer in the Agency for International Development for eleven years, having served in Cote D' Ivoire, Peru, Bolivia, Washington, D.C., and is presently serving in Guinea. His work for the Agency has included design, evaluation, and management for projects in regional development, decentralization, and institutional development. Prior to his present position as USAID Mission senior program officer in Conakry, Hess was Deputy Chief of the program evaluation office in the Washington-based Africa Bureau.

JOHN P. MASON is a senior social scientist in the Evaluation Office of the Agency for International Development, Washington, D.C. He has worked for two decades in international development, including a decade overseas in Arab, African, and Caribbean countries. Mason, who did Ph.D. research on socioeconomic change in a Saharan desert oasis community in Libya, has taught anthropology at the University of Libya (1968-1970), Rensselaer Polytechnic Institute (1971-1973), and the American University in Cairo (1973-1977). He worked for the United Nations in Libya (1977-1979) as a social planner on a physical planning project and for the Cooperative Housing Foundation as a development anthropologist and assistant vice president (1979-1985). Mason is a former director of the AID Development Studies Program in Washington. He has field experience in project feasibility studies; design, management, and evaluation in urban development and planning; village planning; and water and sanitation. Mason is a past president of the Washington Association of Professional Anthropologists.

KATY MORAN is currently program analyst for the Assistant Secretary of External Affairs at the Smithsonian Institution. The article describes an initiative pursued while she was legislative assistant for Representative John Porter (R-IL). An applied anthropologist specializing in resource management, Katy was responsible for environmental issues, particularly those affected by US foreign assistance, while working as a congressional staffer. Rep. Porter is a member of the U.S. House of Representatives

subcommittee on Foreign Operations of the Appropriations Committee which funds US foreign aid programs.

ROBERT McC. NETTING's anthropological research in cultural ecology and economics has been concerned with the interaction of environment, technology, and social organization in societies of intensive agriculturalists. Major field work has included studies of the Nigerian Kofyar beginning in 1960 and of the alpine Swiss village of Toerbel. A recently completed book manuscript on smallholder agriculture and households examines similar questions of population density, intensive cultivation techniques, household labor and management, sustainability, land tenure, and inequality in a wide set of ethnographic cases including that of China. His teaching over nine years at Penn and nineteen years at Arizona has included courses in ecological anthropology, African ethnology, development, and the history and theory of cultural anthropology. For a National Academy of Sciences committee on the human dimensions of global change, he surveyed recent work on Amazon deforestation. He has been nominated as president of the International Association for the Study of Common Property with a term beginning in Sept. 1991.

PATRICIA J. VONDAL is a senior social science analyst at A.I.D.'s Center for Development Information and Evaluation. She has conducted research in Indonesia, and through A.I.D. has also worked in Tunisia, Kenya, Jordan, Ecuador, Guatemala, Honduras and Bolivia. Her chapter in this volume is based on policy research conducted for A.I.D.'s Bureau for Africa and Bureau for Science and Technology. Vondal currently advises A.I.D. Missions in Latin America on data collection needs and methodologies for program impact monitoring and evaluation.